
State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Filing at a Glance

Company: Rocky Mountain Health Care Options, Inc.
Product Name: HCO Small Group
State: Colorado
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.003A Small Group Only - PPO
Filing Type: Rate
Date Submitted: 05/14/2013
SERFF Tr Num: LEIF-129012662
SERFF Status: Closed-Filed
State Tr Num: 278015
State Status: Filed
Co Tr Num: LEIF-129012662

Implementation: 01/01/2014
Date Requested:
Author(s): Julie Andrews
Reviewer(s): Nichole Boggess (primary), Cathy Gilliland, Michael Muldoon, Amy Filler, Rachel Plummer
Disposition Date: 08/01/2013
Disposition Status: Filed
Implementation Date: 01/01/2014

State Filing Description:

SERFF Binder Filing: RCKY-CO14-125000893

State: Colorado
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/
Filing Company: Rocky Mountain Health Care Options, Inc.

General Information

Project Name: January 2014 HCO Small Group
Project Number:
Requested Filing Mode: File & Use
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Employer
Filing Status Changed: 08/01/2013
State Status Changed: 07/30/2013
Created By: Julie Andrews
Corresponding Filing Tracking Number: RCKY-CO14-125000893

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Group
Group Market Size: Small
Overall Rate Impact:

Deemer Date:
Submitted By: Julie Andrews

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Exchange Intentions:

These plans will be offered on the state based exchange.
Please reference the additional information provided in the
Binder #RCKY-CO14-125000893

Filing Description:

January 2014: Initial filing of new HCO Small Group products. Rocky Mountain HMO will offer the new PPACA compliant small group HCO products for sale January 1, 2014.

Please reference additional information that may be found in the associated Binder #RCKY-CO14-125000893

State Narrative:

Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014

This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Both On and Off Exchange Plans

Gold: 4 plans

Silver: 6 plans

Bronze: 4 plans

Company and Contact

Filing Contact Information

Barry Barak, Director of Rating
Rocky Mountain Health Plans
2775 Crossroads Boulevard
Grand Junction, CO 81506
Bbarak@rmhp.org
970-244-7978 [Phone]
970-248-5080 [FAX]

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Filing Company Information

(This filing was made by a third party - leifassociatesinc)

Rocky Mountain Health Care Options, Inc.	CoCode: 47004	State of Domicile: Colorado
2775 Crossroads Boulevard	Group Code: 1184	Company Type: PPO
Grand Junction, CO 81506	Group Name: Rocky Mountain Health Gro	State ID Number: 02024
(970) 244-7978 ext. [Phone]	FEIN Number: 84-1224718	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Please enter state-specific code(s) found in Colorado's Filing Requirements Bulletins, or on the General Instructions page.

Please list all applicable state-specific codes. If no codes are applicable, please enter N/A.: 701, 644, 645, 649

All rate and loss cost filing types MUST be submitted with completed Rate Data Fields in accordance with Sections 10-4-401 and 10-16-107 C.R.S. This requirement does not apply to form filing types. Rate and loss cost filings not including this data will be rejected. If this is a rate or loss cost filing, have these fields been completed?: NA

Have you completed the Forms Schedule Tab? ALL Life, Accident, and Health Rate and Form filing types require the Form Schedule Tab to be completed. In addition, all Form, Annual Form Certification, and Refund Calculation filing types require the Form Schedule Tab to be completed. The actual form must be attached to Form filing types only when filing: Medicare Supplement, Long-Term Care Partnership, Stop Loss, P&C Summary Disclosure Forms, and Workers Compensation. It is not necessary to submit the actual form for other lines of insurance. Thank you.: Yes

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Nichole Boggess	08/01/2013	08/01/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Michael Muldoon	07/10/2013	07/10/2013
Pending Industry Response	Michael Muldoon	07/05/2013	07/05/2013
Pending Industry Response	Nichole Boggess	06/20/2013	06/20/2013
Pending Industry Response	Rachel Plummer	06/10/2013	06/10/2013
Pending Industry Response	Nichole Boggess	05/29/2013	05/29/2013
Pending Industry Response	Nichole Boggess	05/28/2013	05/28/2013
Pending Industry Response	Nichole Boggess	05/17/2013	05/17/2013

Response Letters

Responded By	Created On	Date Submitted
Julie Andrews	07/12/2013	07/12/2013
Julie Andrews	07/12/2013	07/12/2013
Julie Andrews	06/24/2013	06/24/2013
Julie Andrews	06/21/2013	06/21/2013
Julie Andrews	05/31/2013	06/03/2013
Julie Andrews	05/28/2013	05/29/2013
Julie Andrews	05/20/2013	05/20/2013

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Objection Letters and Response Letters**Objection Letters**

Status	Created By	Created On	Date Submitted
Pending Industry Response	Nichole Boggess	05/15/2013	05/15/2013

Response Letters

Responded By	Created On	Date Submitted
Julie Andrews	05/16/2013	05/16/2013

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Unified Rate Review Template	Julie Andrews	05/15/2013	05/15/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
RCKY-CO14-125000893	Note To Reviewer	Julie Andrews	05/13/2013	05/14/2013

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Disposition

Disposition Date: 08/01/2013
 Implementation Date: 01/01/2014
 Status: Filed

HHS Status: HHS Approved
 State Review: Reviewed by Actuary

Comment: State Tracking # 278015
 Company: Rocky Mountain Health Care Options, Inc. (RM HCO)
 Product Line: Small Group PPO

Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014 This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing. The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Both On and Off Exchange Plans

Gold: 4 plans
 Silver: 6 plans
 Bronze: 4 plans

Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

See attached document for more information on this filing.

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Rocky Mountain Health Care Options, Inc.	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
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Percent Change Approved:

Minimum: 0.000%
Maximum: 0.000%
Weighted Average: 0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document (revised)	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document (revised)	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Vaughn Index		Yes
Supporting Document (revised)	Confidential Filing Exhibits		No
Supporting Document	Confidential Filing Exhibits		No
Supporting Document	Letter of Auth		Yes
Supporting Document (revised)	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Actuarial Memorandum		Yes

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Rate Sample		Yes
Supporting Document	Rate Sample		Yes
Supporting Document	Rate Sample		Yes
Form	Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35 (w/Child Dental)		Yes
Form	Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35		Yes
Form	Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45		Yes
Form	Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40		Yes
Form	Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50		Yes

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45		Yes
Form	Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35		Yes
Form	Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35		Yes
Rate (revised)	January 2014 HCO Small Group		Yes
Rate	January 2014 HCO Small Group		Yes
Rate	January 2014 HCO Small Group		Yes

Final Disposition Letter
State Tracking # 278015
Company: Rocky Mountain Health Care Options, Inc. (RM HCO)
Product Line: Small Group PPO

Rate Change Summary

Effective Date of New Rate Implementation: 1/1/2014 through 12/31/2014
This is a New ACA Compliant Filing for 2014, there is no rate change involved with this filing.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA).

Both On and Off Exchange Plans

Gold: 4 plans

Silver: 6 plans

Bronze: 4 plans

Rate Methodology

Experience Used for Rate Setting: 2012 RM HCO SG GF and NGF Business. 182,000 member months and \$75.9 Million in allowed claims, \$60.1 Million paid claims.

2012 Experience Period Loss Ratio: RM HCO Non-Grandfathered business had a loss ratio of 85.5% based on an average of 9,864 enrolled members. 83.4% for GF and Non-GF business combined.

Annual Health Cost Trends: 7.1%. This is medical trend of 7.3% and Rx trend of 5.8%.

Risk Adjustment: 0% (no payments expected from the federal Risk Adjustment Program in 2014).

Smoking Factor: 0% - same rates for smokers and non-smokers at all ages.

Age Rating: 3.0 to 1.0 age rating factor limits for all adults age 21 and over.

* Federal Reported 2014 Comparable Average Premium: \$469.55, adjusted for rating factors.

* This is reported on the issuer's CMS URRT Form submitted in HIOS. It represents a standardized average premium calculation that is used by CMS for comparing and gauging premium development. It is not necessarily the actual average premium, which is shown in the line above as Colorado 2014 Overall Average Premium.

Premium Retained to Cover Expenses, Taxes Fees and Profits

Administrative costs: Expenses the insurance company pays to operate this insurance plan.

This includes all expenses not directly related to paying claims, such as, but not limited to, salaries of company employees, the cost of the company's offices and equipment, commissions to agents to sell and service policies, subsidies to cover legally required plans such as portability, and taxes.

Profit: The amount of money remaining after claims and administrative expenses are paid. Margin is the comparable term for a nonprofit insurance company.

Final Disposition Letter

Total average premium retention is 21.9% shown as follows:

	% of Premium Retained
<u>Issuer Primary Expense and Profit Retention</u>	
Administrative Expenses:	11.59%
Merchant Banking Fee	2.50%
Other - expense adjustment to demographics	0.20%
Commissions:	3.18%
Profit and Contingencies:	0.00%
Contingency Margin:	1.40%
Investment Income:	-0.90%
(A) Total:	17.96%
 <u>Retention for Additional Required Taxes, Fees and Assessments</u>	
PPACA Health Insurer Fee:	1.35%
PPACA Reinsurance Fee:	1.12%
PPACA CERF Fee:	0.00%
PPACA Risk Adjustment User Fee:	0.02%
PPACA PCORI Fee:	0.04%
Exchange user fees:	1.40%
Premium Taxes:	0.00%
State Income Taxes:	0.00%
Other Fees & Taxes	0.00%
(B) Total:	3.93%
 <u>Additional Allowed for QI & Member Welfare Section</u>	
Quality Improvement:	
Community Charitable:	
IT for ICD-10 Conversion (max allowed 0.3%):	
(C) Total:	0.00%
(D) Total Premium Retention For All Purposes (A + B + C):	21.89%
(E) Colorado Conventional Loss Ratio (100% - D):	78.11%
Federal MLR Loss Ratio Basis: (E + C) / (100% - B - FIT):	81.31%

Sample of Final Premium Levels

	Denver				Fort Collins			
	21 Year Old		64 Year Old		21 Year Old		64 Year Old	
	Low	High	Low	High	Low	High	Low	High
Gold	\$369.46	\$385.94	\$1,108.38	\$1,157.82	\$460.87	\$481.43	\$1,382.61	\$1,444.29
Silver	\$310.86	\$322.31	\$932.58	\$966.93	\$387.77	\$402.05	\$1,163.31	\$1,206.15
Bronze	\$267.83	\$282.48	\$803.49	\$847.44	\$334.09	\$352.37	\$1,002.27	\$1,057.11

Final Disposition Letter

	Grand Junction				Pueblo			
	21 Year Old		64 Year Old		21 Year Old		64 Year Old	
	Low	High	Low	High	Low	High	Low	High
Gold	\$327.56	\$342.18	\$982.68	\$1,026.54	\$422.79	\$441.65	\$1,268.37	\$1,324.95
Silver	\$275.61	\$285.76	\$826.83	\$857.28	\$355.73	\$368.82	\$1,067.19	\$1,106.46
Bronze	\$237.45	\$250.44	\$712.35	\$751.32	\$306.48	\$323.24	\$919.44	\$969.72

Division Objections and Rate Changes During the Review Process

The Division objected to the inclusion of the fixed Exchange User fee in retention. RM HCO removed the \$1.80 ppm from their retention load, results in a 0.4% retention load decrease.

The Division objected to the lack of RM HCO's own experience in the URRT development. RM HCO submitted experience within the URRT.

Final Rate Filing Disposition

The Division has filed the rates in their final form after all adjustments.

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/10/2013
Submitted Date	07/10/2013
Respond By Date	07/19/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Unified Rate Review Template (Supporting Document)

Comments:

For the URRT development on worksheet 1 the plan's own RM HCO SG Non Grandfathered experience for 2012 was not entered in the experience section and developed per URRT instructions.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/19/2013, which is within 9 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/19/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/05/2013
Submitted Date	07/05/2013
Respond By Date	07/12/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please note, for 2014 COHBE has indicated that they will not be applying the \$1.80 pmpm component of the Exchange User Fees.

You may adjust your Exchange User Fee rate load and final rates to reflect this, and submit a new rate data template and Act Memo.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/12/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 07/12/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/20/2013
Submitted Date	06/20/2013
Respond By Date	06/27/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- January 2014 HCO Small Group, [HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014, HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_NCD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_NCD_01_01012014, HCO_Summit_Gold_SG_500_80_35_NCD_01_01012014, HCO_Summit_Gold_SG_650_80_35_NCD_01_01012014] (Rate)

Comments: Please update the rate manual as Mineral County should be in area 10 and not area 8.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/27/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/27/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Nichole Boggess

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/10/2013
Submitted Date	06/10/2013
Respond By Date	06/24/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Experience Period Premium and Claims" section of the Part III Actuarial Memorandum. This section of the actuarial memorandum should include information related to the actuaries best estimate of premium and claims for the single risk pool during the experience period reported in Worksheet 1, Section I of the Part I Unified Rate Review Template.

Paid Through Date: Indicate the date through which payments have been made on claims incurred during the experience period.

Premiums (net of MLR Rebate) in Experience Period: Provide support for how the amount of premium earned during the experience period, net of MLR rebates to policyholders, was developed.

Allowed and Incurred Claims Incurred During the Experience Period: Provide support for the development of the actuaries best estimate of allowed and paid claims incurred during the experience period.

This portion of the Part III Act Memo should follow the "Proposed Rate Increase" section.

Objection 2

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Benefit Categories" section of the Part III Actuarial Memorandum. For each of the Benefit Categories in Worksheet 1, Section II, describe the methodology used to determine which category each claim in the experience period falls. For benefit categories where Other was selected as the Utilization Description in the Part I Unified Rate Review Template, please describe the measurement units that were used. This portion of the Part III Act Memo should follow the "Experience Period Premium & Claims" section.

Objection 3

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Projection Factors" section of the Part III Actuarial Memorandum. This section should include a description of each factor used to project the experience period allowed claimsto the projection period, and supporting information related to the development of those factors. For each factor, the actuary should include a description of the source data or assumptions used, why they are appropriate for the single risk pool, and any applicable adjustments made to the data, such as considerations for issuerspecific experience, industry or internal studies, benefit design and credibility of the source data. At a minimum, include support for the following factors:

Changes in the Morbidity of the Population Insured, Changes in Benefits, Changes in Demographics, Other Adjustments, and Trend Factors (cost/utilization)

This portion of the Part III Act Memo should follow the "Benefit Categories" section. For more information, please see the HHS Part III Actuarial Memorandum and Certification Instructions.

Objection 4

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Credibility of Experience" section of the Part III Actuarial Memorandum. In this section issuers must provide support for the credibility level assigned to their base period experience, with the complement being applied to a credibility manual. The requested information will include items such as: Description of the Credibility Methodology Used, and Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology. This portion of

State: Colorado
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/
Filing Company: Rocky Mountain Health Care Options, Inc.

the Part III Act Memo should follow the "Credibility Manual Rate Development" section. For more information, please see the HHS Part III Actuarial Memorandum and Certification Instructions.

Objection 5

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Terminated Products" section of the Part III Actuarial Memorandum. List the name of each product that will be terminated prior to the effective date. Include both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter. If this section is not applicable, then please specify. This should be located after the "Membership Projections" section.

Objection 6

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Plan Type" section of the Part III Actuarial Memorandum. In the event that the plan types listed in the drop-down box in Worksheet 2, Section I of the Part I Unified Rate Review Template do not describe an issuers plan exactly and the issuer has selected the closest plan available, per the instructions, please describe the differences between the issuers plan and the plan type selected. This portion of the Part III Act Memo should follow the "Terminated Products" section.

Objection 7

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Reliance" section of the Part III Actuarial Memorandum. If, in preparing the Part I Unified Rate Review Template submission, the certifying actuary relied on any information or underlying assumptions provided by another individual, the information relied upon and the name of the individual providing that information may be disclosed. This should be located after the "Effective Rate Review Information" section.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by [DATE], which is within [20] calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by [SAME DATE AS ABOVE].

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,
Rachel Plummer

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/29/2013
Submitted Date	05/29/2013
Respond By Date	06/05/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments:

Please provide a chart showing the basic plan designs to include such items as out of pocket, coinsurance, copays, and etc.

Objection 2

Comments: Please provide all excel files in pdf format as well.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/05/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/05/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Nichole Boggess

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/28/2013
Submitted Date	05/28/2013
Respond By Date	06/04/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please provide the rate sample as a separate exhibit.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/04/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/04/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Nichole Boggess

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/17/2013
Submitted Date	05/17/2013
Respond By Date	05/31/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please correct the requested filing mode from review and approval to file and use on the general information tab.

Objection 2

Comments: Please verify the previous filing information on the rate / rule schedule tab. The actuarial memorandum states this is a new product while this reflects a previous filing. Please see the following information:

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 5.800 %

Effective Date of Last Rate Revision: 04/01/2013

Filing Method of Last Filing: SERFF

Objection 3

Comments: Please complete the following fields on the rate / rule schedule tab even if the amount is 0: Product Types: HMO / PPO / EPO / POS / HSA / HDHP / FFS / Other

Number of policy holders

Number of covered lives

Objection 4

- Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (2): Please update the requested rate action to 0%.

Objection 5

- Actuarial Memorandum (Supporting Document)

Comments: Please verify the data requirements tab that reflects this as an existing product as section (A) of the actuarial memorandum indicates this is for a new product.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 05/31/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 05/31/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,
Nichole Boggess

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/15/2013
Submitted Date	05/15/2013
Respond By Date	05/17/2013

Dear Barry Barak,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Unified Rate Review Template (Supporting Document)

Comments: Please attach the Unified rate review template as an .xls format.

Objection 2

Comments: Please submit the binder so a complete review can be completed.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 05/17/2013, which is within 2 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 05/17/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Nichole Boggess

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TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
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Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/12/2013
Submitted Date	07/12/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

A new URRT has been loaded with the requested experience information.

Related Objection 1

Applies To:

- Unified Rate Review Template (Supporting Document)

Comments:

For the URRT development on worksheet 1 the plan's own RM HCO SG Non Grandfathered experience for 2012 was not entered in the experience section and developed per URRT instructions.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Julie Andrews

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/12/2013
Submitted Date	07/12/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The filing has been amended to remove the COHBE Component. All exhibits have been updated as necessary.

In addition, the data requirements premium section has been updated.

Related Objection 1

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please note, for 2014 COHBE has indicated that they will not be applying the \$1.80 pmpm component of the Exchange User Fees.

You may adjust your Exchange User Fee rate load and final rates to reflect this, and submit a new rate data template and Act Memo.

Changed Items:

State: Colorado Filing Company: Rocky Mountain Health Care Options, Inc.
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
 Product Name: HCO Small Group
 Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (7-12-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTRMHCOSG (rev 7-12-2013 v97).xls UnifiedRateReviewSubmissionHCOSG_20130711132012.xml
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx URRTRMHCOSG5-17-2013.xls
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
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TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml</i>

Satisfied - Item:	Confidential Filing Exhibits
Comments:	
Attachment(s):	Confidential Rate Development Methodology-SG HCO (rev 7-15-2013).pdf

Previous Version

Satisfied - Item:	<i>Confidential Filing Exhibits</i>
Comments:	
Attachment(s):	<i>Confidential Rate Development Methodology-SG HCO.pdf</i>

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Benefit Summary Table Small Group HCO 5-31-2013.pdf Actuarial Memorandum HCO SG (7-12-13).xls Actuarial Memorandum HCO SG (7-12-13).pdf

Previous Version

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Comments:	
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Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (7-12-2013) Final.xls Rate Sample HCO SG (7-12-2013) Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i> <i>Rate Sample HCO SG (6-3-2013).pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i>

State: Colorado Filing Company: Rocky Mountain Health Care Options, Inc.
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
 Product Name: HCO Small Group
 Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
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Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTRMHCOSG (rev 7-12-2013 v97).xls UnifiedRateReviewSubmissionHCOSG_20130711132012.xml
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx URRTRMHCOSG5-17-2013.xls
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
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Attachment(s):	URRTFinalRMHCOSG.xlsx
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TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml</i>

Satisfied - Item:	Confidential Filing Exhibits
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Previous Version

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Actuarial Memorandum</i>
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<i>Previous Version</i>	
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Comments:	
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Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (7-12-2013) Final.xls Rate Sample HCO SG (7-12-2013) Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
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<i>Previous Version</i>	
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SERFF Tracking #:

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TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
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<i>Previous Version</i>	
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Comments:	
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Satisfied - Item:	Unified Rate Review Template
Comments:	
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Comments:	
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Satisfied - Item:	<i>Unified Rate Review Template</i>
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Satisfied - Item:	Confidential Filing Exhibits
Comments:	
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Previous Version

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Previous Version

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
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Previous Version

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
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Comments:	
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Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
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<i>Previous Version</i>	
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Comments:	
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Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (7-12-2013) Final.xls Rate Sample HCO SG (7-12-2013) Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i> <i>Rate Sample HCO SG (6-3-2013).pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i>

State: Colorado Filing Company: Rocky Mountain Health Care Options, Inc.
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
 Product Name: HCO Small Group
 Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (7-12-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTRMHCOSG (rev 7-12-2013 v97).xls UnifiedRateReviewSubmissionHCOSG_20130711132012.xml
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx URRTRMHCOSG5-17-2013.xls
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx
<i>Previous Version</i>	

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml</i>

Satisfied - Item:	Confidential Filing Exhibits
Comments:	
Attachment(s):	Confidential Rate Development Methodology-SG HCO (rev 7-15-2013).pdf

Previous Version

Satisfied - Item:	<i>Confidential Filing Exhibits</i>
Comments:	
Attachment(s):	<i>Confidential Rate Development Methodology-SG HCO.pdf</i>

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Benefit Summary Table Small Group HCO 5-31-2013.pdf Actuarial Memorandum HCO SG (7-12-13).xls Actuarial Memorandum HCO SG (7-12-13).pdf

Previous Version

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i> <i>Actuarial Memorandum HCO SG (5-31-13).pdf</i> <i>Benefit Summary Table Small Group HCO 5-31-2013.pdf</i>

Previous Version

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i> <i>Actuarial Memorandum HCO SG (5-31-13).pdf</i> <i>Benefit Summary Table Small Group HCO 5-31-2013.pdf</i>

Previous Version

Previous Version

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-13-13).xls</i>

Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (7-12-2013) Final.xls Rate Sample HCO SG (7-12-2013) Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i> <i>Rate Sample HCO SG (6-3-2013).pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i>

State: Colorado Filing Company: Rocky Mountain Health Care Options, Inc.
 TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
 Product Name: HCO Small Group
 Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (7-12-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
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<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTRMHCOSG (rev 7-12-2013 v97).xls UnifiedRateReviewSubmissionHCOSG_20130711132012.xml
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx URRTRMHCOSG5-17-2013.xls
<i>Previous Version</i>	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx
<i>Previous Version</i>	

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml</i>

Satisfied - Item:	Confidential Filing Exhibits
Comments:	
Attachment(s):	Confidential Rate Development Methodology-SG HCO (rev 7-15-2013).pdf

Previous Version

Satisfied - Item:	<i>Confidential Filing Exhibits</i>
Comments:	
Attachment(s):	<i>Confidential Rate Development Methodology-SG HCO.pdf</i>

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Benefit Summary Table Small Group HCO 5-31-2013.pdf Actuarial Memorandum HCO SG (7-12-13).xls Actuarial Memorandum HCO SG (7-12-13).pdf

Previous Version

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i> <i>Actuarial Memorandum HCO SG (5-31-13).pdf</i> <i>Benefit Summary Table Small Group HCO 5-31-2013.pdf</i>

Previous Version

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-13-13).xls</i>

Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (7-12-2013) Final.xls Rate Sample HCO SG (7-12-2013) Final.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i> <i>Rate Sample HCO SG (6-3-2013).pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	
Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i>

No Form Schedule items changed.

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
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State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

1	January 2014 HCO Small Group	HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014, HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014, HCO_Summit_Bronze	New		January 2014 Rates & Factors HCO Small Group (7-12-13).xls,	07/12/2013 By: Julie Andrews
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SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

		_SG_4500_60_50_NC D_01_01012014, HCO_Summit_HSA_Br onze_SG_3250_70_45 _NCD_01_01012014, HCO_Summit_Gold_S G_500_80_35_NCD_0 1_01012014, HCO_Summit_Gold_S G_650_80_35_NCD_0 1_01012014			
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Previous Version

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

		_SG_4500_60_50_NC D_01_01012014, HCO_Summit_HSA_Br onze_SG_3250_70_45 _NCD_01_01012014, HCO_Summit_Gold_S G_500_80_35_NCD_0 1_01012014, HCO_Summit_Gold_S G_650_80_35_NCD_0 1_01012014				
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Previous Version

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

1	January 2014 HCO Small Group	HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014, HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014, HCO_Summit_Bronze	Revised	Previous State Filing Number: LEIF-128773772 Percent Rate Change Request: 5.8	January 2014 Rates & Factors HCO Small Group (5-13-13).xls,	05/14/2013 By: Julie Andrews
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SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

		_SG_4500_60_50_NC D_01_01012014, HCO_Summit_HSA_Br onze_SG_3250_70_45 _NCD_01_01012014, HCO_Summit_Gold_S G_500_80_35_NCD_0 1_01012014, HCO_Summit_Gold_S G_650_80_35_NCD_0 1_01012014				
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Conclusion:

Sincerely,

Julie Andrews

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/24/2013
Submitted Date 06/24/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The objection has been addressed.

Related Objection 1

Applies To:

- January 2014 HCO Small Group, [HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014,
HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014,
HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014,
HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014,
HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014,
HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_NCD_01_01012014,
HCO_Summit_HSA_Bronze_SG_3250_70_45_NCD_01_01012014, HCO_Summit_Gold_SG_500_80_35_NCD_01_01012014,
HCO_Summit_Gold_SG_650_80_35_NCD_01_01012014] (Rate)

Comments: Please update the rate manual as Mineral County should be in area 10 and not area 8.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Julie Andrews

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/21/2013
Submitted Date	06/21/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 1

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Experience Period Premium and Claims" section of the Part III Actuarial Memorandum. This section of the actuarial memorandum should include information related to the actuaries best estimate of premium and claims for the single risk pool during the experience period reported in Worksheet 1, Section I of the Part I Unified Rate Review Template.

Paid Through Date: Indicate the date through which payments have been made on claims incurred during the experience period.

Premiums (net of MLR Rebate) in Experience Period: Provide support for how the amount of premium earned during the experience period, net of MLR rebates to policyholders, was developed.

Allowed and Incurred Claims Incurred During the Experience Period: Provide support for the development of the actuaries best estimate of allowed and paid claims incurred during the experience period.

This portion of the Part III Act Memo should follow the "Proposed Rate Increase" section.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 2

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Benefit Categories" section of the Part III Actuarial Memorandum. For each of the Benefit Categories in Worksheet 1, Section II, describe the methodology used to determine which category each claim in the experience period falls. For benefit categories where Other was selected as the Utilization Description in the Part I Unified Rate Review Template, please describe the measurement units that were used. This portion of the Part III Act Memo should follow the "Experience Period Premium & Claims" section.

Changed Items:

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 3

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Projection Factors" section of the Part III Actuarial Memorandum. This section should include a description of each factor used to project the experience period allowed claimsto the projection period, and supporting information related to the development of those factors. For each factor, the actuary should include a description of the source data or assumptions used, why they are appropriate for the single risk pool, and any applicable adjustments made to the data, such as considerations for issuerspecific experience, industry or internal studies, benefit design and credibility of the source data. At a minimum, include support for the following factors: Changes in the Morbidity of the Population Insured, Changes in Benefits, Changes in Demographics, Other Adjustments, and Trend Factors (cost/utilization) This portion of the Part III Act Memo should follow the "Benefit Categories" section. For more information, please see the HHS Part III Actuarial Memorandum and Certification Instructions.

Changed Items:

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 4

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Credibility of Experience" section of the Part III Actuarial Memorandum. In this section issuers must provide support for the credibility level assigned to their base period experience, with the complement being applied to a credibility manual. The requested information will include items such as: Description of the Credibility Methodology Used, and Resulting Credibility Level Assigned to Base Period Experience when applying the proposed credibility methodology. This portion of the Part III Act Memo should follow the "Credibility Manual Rate Development" section. For more information, please see the HHS Part III Actuarial Memorandum and Certification Instructions.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 5

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Terminated Products" section of the Part III Actuarial Memorandum. List the name of each product that will be terminated prior to the effective date. Include both products that have experience included in the single risk pool during the experience period and any products that were not in effect during the experience but were made available thereafter. If this section is not applicable, then please specify. This should be located after the "Membership Projections" section.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 6

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Plan Type" section of the Part III Actuarial Memorandum. In the event that the plan types listed in the drop-down box in Worksheet 2, Section I of the Part I Unified Rate Review Template do not describe an issuers plan exactly and the issuer has selected the closest plan available, per the instructions, please describe the differences between the issuers plan and the plan type selected. This portion of the Part III Act Memo should follow the "Terminated Products" section.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7

Comments:

The section has been added to the revised Part III Memorandum.

Related Objection 7

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please include the "Reliance" section of the Part III Actuarial Memorandum. If, in preparing the Part I Unified Rate Review Template submission, the certifying actuary relied on any information or underlying assumptions provided by another individual, the information relied upon and the name of the individual providing that information may be disclosed. This should be located after the "Effective Rate Review Information" section.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Julie Andrews

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/31/2013
Submitted Date	06/03/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

A benefit summary has been added to the Actuarial Memorandum supporting documents tab as requested.

Related Objection 1

Comments:

Please provide a chart showing the basic plan designs to include such items as out of pocket, coinsurance, copays, and etc.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-31-13).xls Actuarial Memorandum HCO SG (5-31-13).pdf Benefit Summary Table Small Group HCO 5-31-2013.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-13-13).xls</i>

Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (6-3-2013).xls Rate Sample HCO SG (6-3-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	

SERFF Tracking #: LEIF-129012662 State Tracking #: 278015 Company Tracking #: LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Attachment(s):	<i>Rate Sample HCO SG (6-3-2013).xls</i>
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SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-31-13).xls Actuarial Memorandum HCO SG (5-31-13).pdf Benefit Summary Table Small Group HCO 5-31-2013.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-31-13).xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-13-13).xls</i>

Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (6-3-2013).xls Rate Sample HCO SG (6-3-2013).pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Rate Sample</i>
Comments:	

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Attachment(s):

Rate Sample HCO SG (6-3-2013).xls

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

A pdf copy has been included under the supporting documents tab.

Related Objection 2

Comments: Please provide all excel files in pdf format as well.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Julie Andrews

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/28/2013
Submitted Date	05/29/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The rate sample has been attached as a separate exhibit as it's own supporting document as requested.

Related Objection 1

Comments: Please provide the rate sample as a separate exhibit.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (6-3-2013).xls

No Form Schedule items changed.

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
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State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

1	January 2014 HCO Small Group	HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014, HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014, HCO_Summit_Bronze	New		January 2014 Rates & Factors HCO Small Group (5-13-13).xls,	05/29/2013 By: Julie Andrews
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SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

		_SG_4500_60_50_NC D_01_01012014, HCO_Summit_HSA_Br onze_SG_3250_70_45 _NCD_01_01012014, HCO_Summit_Gold_S G_500_80_35_NCD_0 1_01012014, HCO_Summit_Gold_S G_650_80_35_NCD_0 1_01012014			
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Previous Version

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

1	January 2014 HCO Small Group	HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014, HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014, HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014, HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014, HCO_Summit_Bronze	Revised	Previous State Filing Number: LEIF-128773772 Percent Rate Change Request: 5.8	January 2014 Rates & Factors HCO Small Group (5-13-13).xls,	05/14/2013 By: Julie Andrews
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SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Rate/Rule Schedule Item Changes

		_SG_4500_60_50_NC D_01_01012014, HCO_Summit_HSA_Br onze_SG_3250_70_45 _NCD_01_01012014, HCO_Summit_Gold_S G_500_80_35_NCD_0 1_01012014, HCO_Summit_Gold_S G_650_80_35_NCD_0 1_01012014				
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Conclusion:

Sincerely,

Julie Andrews

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/20/2013
Submitted Date	05/20/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The filing mode has been updated as requested through a post submission update.

Related Objection 1

Comments: Please correct the requested filing mode from review and approval to file and use on the general information tab.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

The information has been removed as requested through a post submission update.

Related Objection 2

Comments: Please verify the previous filing information on the rate / rule schedule tab. The actuarial memorandum states this is a new product while this reflects a previous filing. Please see the following information:

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 5.800 %

Effective Date of Last Rate Revision: 04/01/2013

Filing Method of Last Filing: SERFF

Changed Items:

No Supporting Documents changed.

State:	Colorado	Filing Company:	Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HCO Small Group		
Project Name/Number:	January 2014 HCO Small Group/		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

The information has been updated as requested through a post submission update.

Please note that completion of these fields is not an option when selecting a New Product on the Rate/Schedule Tab. I will need to contact SERFF if the information is still not captured through the post submission update.

Related Objection 3

Comments: Please complete the following fields on the rate / rule schedule tab even if the amount is 0: Product Types: HMO / PPO / EPO / POS / HSA / HDHP / FFS / Other
Number of policy holders
Number of covered lives

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

A revised actuarial memorandum has been attached with the requested change to Section A (2).

Related Objection 4

Applies To:

- Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 Section 6 (A) (2): Please update the requested rate action to 0%.

Changed Items:

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-31-13).xls
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf</i> <i>2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf</i> <i>Actuarial Memorandum HCO SG (5-13-13).xls</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments:

A revised actuarial memorandum has been attached with the requested change to Section L. Data requirements clearly indicating the data as for a comparable product.

Related Objection 5

Applies To:

- Actuarial Memorandum (Supporting Document)

Comments: Please verify the data requirements tab that reflects this as an existing product as section (A) of the actuarial memorandum indicates this is for a new product.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-31-13).xls
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-13-13).xls</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Julie Andrews

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/16/2013
Submitted Date	05/16/2013

Dear Nichole Boggess,

Introduction:

Response 1

Comments:

The pre-finalized template is attached in an .xls format. The finalized version can't be saved down to .xls as that format will truncate much of the data.

Related Objection 1

Applies To:

- Unified Rate Review Template (Supporting Document)

Comments: Please attach the Unified rate review template as an .xls format.

Changed Items:

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedule Item Changes

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx URRTRMHCOSG5-17-2013.xls
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>URRTFinalRMHCOSG.xlsx</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

The binder has been submitted for your reivew.

Related Objection 2

Comments: Please submit the binder so a complete review can be completed.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Conclusion:

Sincerely,

Julie Andrews

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Amendment Letter

Submitted Date: 05/15/2013

Comments:

This amendment is to reload the finalized URRT data as an xls file as requested by the Division.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTFinalRMHCOSG.xlsx
<i>Previous Version</i>	
Satisfied - Item:	<i>Unified Rate Review Template</i>
Comments:	
Attachment(s):	<i>UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml</i>

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Note To Reviewer

Created By:

Julie Andrews on 05/13/2013 02:09 PM

Last Edited By:

Nichole Boggess

Submitted On:

05/21/2013 10:48 AM

Subject:

RCKY-CO14-125000893

Comments:

Please reference additional information that may be found in the associated Binder #RCKY-CO14-125000893

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Post Submission Update Request Processed On 05/22/2013

Status: Allowed
Created By: Julie Andrews
Processed By: Nichole Boggess
Comments:

General Information:

Field Name	Requested Change	Prior Value
Requested Filing Mode	File & Use	Review & Approval

Rate Information:

Field Name	Requested Change	Prior Value
Rate Change Type	Neutral	Increase
Overall Pct. of Last Revision	0.000%	5.800%
Effective Date of Last revision		04/01/2013

Company Rate Information:

Company Name: Rocky Mountain Health Care Options, Inc.

Field Name	Requested Change	Prior Value
PPO - Covered Lives	0	
PPO - Policy Holders	0	

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Form Schedule

Lead Form Number: HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35 (w/Child Dental)	HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014	POL	Other			
2		Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45 (w/Child Dental)	HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014	POL	Other			
3		Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40 (w/Child Dental)	HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014	POL	Other			
4		Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50 (w/Child Dental)	HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014	POL	Other			

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HCO Small Group

Project Name/Number: January 2014 HCO Small Group/

Lead Form Number: HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
5		Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45 (w/Child Dental)	HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014	POL	Other			
6		Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35 (w/Child Dental)	HCO_Summit_Gold_SG_500_80_35_CD_01_01012014	POL	Other			
7		Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35 (w/Child Dental)	HCO_Summit_Gold_SG_650_80_35_CD_01_01012014	POL	Other			
8		Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35	HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014	POL	Other			
9		Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45	HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014	POL	Other			

State: Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HCO Small Group

Project Name/Number: January 2014 HCO Small Group/

Lead Form Number: HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
10		Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40	HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014	POL	Other			
11		Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	HCO_Summit_Bronze_SG_4500_60_50_NCD_01_01012014	POL	Other			
12		Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	HCO_Summit_HSA_Bronze_SG_3250_70_45_NCD_01_01012014	POL	Other			
13		Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35	HCO_Summit_Gold_SG_500_80_35_NCD_01_01012014	POL	Other			

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State: Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name: HCO Small Group

Project Name/Number: January 2014 HCO Small Group/

Lead Form Number: HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
14		Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35	HCO_Summit_Gold_SG_650_80_35_NCD_01_01012014	POL	Other			

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

SERFF Tracking #:

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State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision:
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Rocky Mountain Health Care Options, Inc.	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		0						
Policy Holders:		0						

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Rate Review Detail

COMPANY:

Company Name: Rocky Mountain Health Care Options, Inc.
HHS Issuer Id: 80208
Product Names: Rocky Mountain Summit PPO
Trend Factors: Annual trend of 7.1%. is assumed. A blend of medical trend of 7.3% and pharmacy trend of 5.8% were assumed in the development of the rates.

FORMS:

New Policy Forms: HCO_Summit_Silver_SG_1500_70_35_CD_01_01012014,
 HCO_Summit_Silver_SG_2000_70_45_CD_01_01012014,
 HCO_Summit_Silver_SG_2000_70_40_CD_01_01012014,
 HCO_Summit_Bronze_SG_4500_60_50_CD_01_01012014,
 HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014,
 HCO_Summit_Gold_SG_500_80_35_CD_01_01012014,
 HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, ,
 HCO_Summit_Silver_SG_1500_70_35_NCD_01_01012014,
 HCO_Summit_Silver_SG_2000_70_45_NCD_01_01012014,
 HCO_Summit_Silver_SG_2000_70_40_NCD_01_01012014,
 HCO_Summit_Bronze_SG_4500_60_50_NCD_01_01012014,
 HCO_Summit_HSA_Bronze_SG_3250_70_45_NCD_01_01012014,
 HCO_Summit_Gold_SG_500_80_35_NCD_01_01012014,
 HCO_Summit_Gold_SG_650_80_35_NCD_01_01012014

Affected Forms:

Other Affected Forms:

REQUESTED RATE CHANGE INFORMATION:

Change Period: Quarterly
Member Months: 182,042
Benefit Change: Increase
Percent Change Requested: Min: 0.0 Max: 0.0 Avg: 0.0

PRIOR RATE:

Total Earned Premium: 0.00
Total Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 68,510,971.00
Projected Incurred Claims: 53,305,498.00
Annual \$: Min: 151.39 Max: 1,766.05 Avg: 471.45

SERFF Tracking #:	LEIF-129012662	State Tracking #:	278015	Company Tracking #:	LEIF-129012662
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State:	Colorado	Filing Company:	Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI:	H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO		
Product Name:	HCO Small Group		
Project Name/Number:	January 2014 HCO Small Group/		

Rate/Rule Schedule

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
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State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

1	January 2014 HCO Small Group	HCO_Summit_Silver_SG_150_0_70_35_CD_01_01012014, HCO_Summit_Silver_SG_200_0_70_45_CD_01_01012014, HCO_Summit_Silver_SG_200_0_70_40_CD_01_01012014, HCO_Summit_Bronze_SG_45_00_60_50_CD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_CD_01_01012014, HCO_Summit_Gold_SG_500_80_35_CD_01_01012014, HCO_Summit_Gold_SG_650_80_35_CD_01_01012014, HCO_Summit_Silver_SG_150_0_70_35_NCD_01_01012014, HCO_Summit_Silver_SG_200_0_70_45_NCD_01_01012014, HCO_Summit_Silver_SG_200_0_70_40_NCD_01_01012014, HCO_Summit_Bronze_SG_45_00_60_50_NCD_01_01012014, HCO_Summit_HSA_Bronze_SG_3250_70_45_NCD_01_01012014, HCO_Summit_Gold_SG_500_80_35_NCD_01_01012014, HCO_Summit_Gold_SG_650_80_35_NCD_01_01012014	New	January 2014 Rates & Factors HCO Small Group (7-12-13).xls,
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SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Attachment January 2014 Rates & Factors HCO Small Group (7-12-13).xls is not a PDF document and cannot be reproduced here.

SERFF Tracking #:

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H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Supporting Document Schedules

Bypassed - Item:	HR-1 Form (H)
Bypass Reason:	Based on guidance from the Divison, this document is no longer required.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	This is an initial product filing. The requirement criteria is not satisfied for this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	Part III RMHCO Small Group 2014 Actuarial Memorandum (7-12-2013).pdf
Item Status:	
Status Date:	

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRTRMHCOSEG (rev 7-12-2013 v97).xls UnifiedRateReviewSubmissionHCOSG_20130711132012.xml
Item Status:	
Status Date:	

Satisfied - Item:	Vaughn Index
Comments:	
Attachment(s):	2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf
Item Status:	
Status Date:	

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Satisfied - Item:	Letter of Auth
Comments:	
Attachment(s):	HCO Letter of Authorization For 2014 SERFF Filing.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Benefit Summary Table Small Group HCO 5-31-2013.pdf Actuarial Memorandum HCO SG (7-12-13).xls Actuarial Memorandum HCO SG (7-12-13).pdf
Item Status:	
Status Date:	

Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	Rate Sample HCO SG (7-12-2013) Final.xls Rate Sample HCO SG (7-12-2013) Final.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Attachment URRTRMHCOSG (rev 7-12-2013 v97).xls is not a PDF document and cannot be reproduced here.

Attachment UnifiedRateReviewSubmissionHCOSG_20130711132012.xml is not a PDF document and cannot be reproduced here.

Attachment Actuarial Memorandum HCO SG (7-12-13).xls is not a PDF document and cannot be reproduced here.

Attachment Rate Sample HCO SG (7-12-2013) Final.xls is not a PDF document and cannot be reproduced here.

ACTUARIAL MEMORANDUM AND CERTIFICATION

Re: Rocky Mountain Health Care Options
2014 Small Group Plan Rates

Date: May 3, 2013, revised June 24, 2013, revised July 12, 2013

General Information

Company Identifying Information

- Company Legal Name: Rocky Mountain HCO
- State: Colorado
- HIOS Issuer ID: 80208
- Market: Small Group
- Effective Date: January 1, 2014

Company Contact Information

- Primary Contact Name: Barry Barak
- Primary Contact Telephone Number: 970-244-7978
- Primary Contact Email Address: Barry.Barak@rmhp.org

Proposed Rate Increase(s)

This filing is for new QHP products that will be sold through the Colorado Exchange as well as in the small group market outside the Exchange. This is not a rate increase.

Experience Period Premium and Claims

Non-grandfathered experience data incurred in 2012 and paid through February 28, 2013 with the inclusion of capitation payments is shown in Worksheet 1. The experience is adjusted for IBNR based on historical claim lag averages to project future claims payments.

Benefit Categories

The benefit categories were segregated by place of service, inpatient benefits were measured by admits, while outpatient benefits were measured by a day of service. Ambulatory professional benefits were split into "Professional" and "Other". "Other" services include DME, Ambulance, Home Health, Medical and Surgical Supplies, Home Health and Other Services. These benefit categories are measured based on the number of services provided. Pharmacy services are based on script count normalized to 30 days while capitation is stated as cost per member.

Projection Factors

Changes in Morbidity of the Population Insured: No Adjustment

Other Adjustments: This factor includes adjustments for required EHB coverage.

Trend Factors: The trend numbers are based on an analysis of historical trend and expectations of future costs and utilization.

Credibility Manual Rate Development

Source and Appropriateness of Experience Data Used

The allowed claims experience of Rocky Mountain HCO's existing small group grandfathered and non-grandfathered business was used as a starting point for the development of the new 2014 products. The combined experience was utilized to maximize the credibility of the experience. Adjustments were made for demographics, morbidity, geographic area, benefits, and trend. Rocky Mountain Health Care Option's small group product line 2012 data included \$75.9 million in allowed claims and approximately 182,000 member months.

Adjustments Made to the Data

The proposed 2014 rates were impacted by the following factors:

- There are many new benefits that must be covered, such as pediatric vision, pediatric dental, women's wellness, and habilitative benefits. These changes all added significant cost to the new plan designs.
- Annual increases in the cost of health care are expected to continue, since there are no inherent cost controls in the new plan designs.
- New fees and taxes include the following:
 - An Exchange fee of 1.4%
 - A health insurance provider fee
 - A charge for risk adjustment and data collection
 - The patient-centered outcomes research tax
 - The \$5.25 PMPM transitional reinsurance contribution

The following bullets describe the development of the 2014 individual rates. The numbers shown below do not coincide with the numbers in the URRT, since we did not develop the rates in the way demonstrated in the URRT. The development of the numbers in the URRT is described later in this memorandum.

We made the following adjustments to the 2012 allowed claims for the existing small group business in the development of the 2014 allowed claim estimates.

- We first developed an allowed 2012 PMPM for each category of service: Inpatient, Outpatient, Professional, Other, Capitation and Pharmacy. The experience contained a mix of pharmacy plan types, but only those plans covering generic and brand drugs were included in the development and were adjusted for rebates.
- Using the current member distribution by age, we calculated the average age factor using the mandated 2014 age factors. The average age factor was 1.425.
- Using the current member family size, we calculated an adjustment factor to recognize the 2014 cap on the number of child rates. The adjustment factor was 0.989.
- New geographic factors were created for the eleven new rating regions defined by the State of Colorado. The combined individual and small group experience of the affiliated companies Rocky Mountain HMO and Rocky Mountain Health Care Options was used to develop the cost difference by rating region. The experience of the two companies was combined to increase the credibility of experience in each region and was appropriate due to the minimal differential in provider contracting between the two companies. The average factor for the sample population was 1.002.

- We then normalized the allowed claim experience to a factor of 1.00, which would be that for a member aged 21-24, by dividing by the three prior factors. The normalized PMPM was \$299.47.
- We evaluated the cost impact of new essential health benefits, which included the following:
 - Pediatric vision
 - Pediatric dental
 - Women's wellness benefits
 - Habilitative care

We estimated that these new benefits would add \$13.39 PMPM to the allowed claims.

- We then trended the claim costs to 2014, using a 7.1% trend factor for 24 months. The 7.1% trend was developed from historical claim experience and adjusted for historical changes in demographics and mix of business.

We further adjusted the claim costs to a market-wide gross premium rate by making the following additional adjustments.

- We adjusted for expected reinsurance recoveries from the company's commercial reinsurance policy for this line of business with an attachment point of \$800,000 in 2014. We reduced allowed claims by 0.0% for expected recoveries from this policy.
- We added non-claim expense items for fixed costs, administration, taxes and fees. The expenses are described later in this memorandum.
- The final January 2014 gross premium index rate (using our definition as the single market-wide premium rate that all factors are applied to) is \$471.98. Quarterly renewal index rates were developed using the assumed annual trend factor of 7.1% applied quarterly. All other factors for plan design, age, geographic location, and tobacco use are applied against this gross premium rate to arrive at the rates for each individual member. This is explained further later in this memorandum.

Credibility of Experience

No experience period claims are provided in the Unified Rate Review Template (URRT), since this is not a rate increase, therefore no credibility was assigned to experience. The Colorado standard for fully credible data is 2,000 life years and 2,000 claims. Both standards must be met within a maximum of three years, if the proposed rates are based on claims experience. The formula for determining the amount of credibility to assign to the data is $\text{SQRT}\{(\#\text{life years or claims})/\text{full credibility standard}\}$.

Paid to Allowed Ratio: Development of Plan Values

Rocky Mountain HCO will offer three products in the small group market. Within each product, the company will offer plan designs with varying coverage of Pediatric Dental and network availability. The products will be sold inside and/or outside the Exchange with the same rates as indicated in the URRT.

The plan factors are shown in attached URRT. These plan factors were developed from a proprietary plan value model which uses the company's own utilization and unit costs for all components of health services. The model applies applicable plan deductibles, coinsurance, out of pocket maximums, and copays to determine the total combined value of all components of cost sharing, and compares the remaining plan cost to the total cost of care to arrive at the plan value that is used in pricing each particular plan design. The plan factors are the paid to allowed ratios for each plan.

Risk Adjustment and Reinsurance

We did not assume any risk adjustment transfers in the pricing. Any assumptions we might make about the risk profile of the population that will be insured by Rocky Mountain HCO in 2014 would be purely speculative. We have no reason to believe that Rocky Mountain HCO will attract members with either higher or lower than average risk. Thus, assuming a risk adjustment transfer did not seem appropriate.

The small group market will not receive reinsurance payments from the transitional reinsurance program but will make reinsurance contributions. The reinsurance contribution was assumed to be \$5.25 per member per month and was added as a fixed cost in the calculation of the gross premium index rate.

Non-Benefit Expenses, Profit and Risk

Administrative Expense Load

The administrative expense load includes 17.4% for general administration, claims adjustment and commissions. This is slightly more than the general administrative expenses and claims adjustment expenses shown in the company's 2011 annual statement, the additional cost is driven by new expenses related to operating costs specific to the exchange.

Profit and Risk Margin

The rate development assumes 0.5% for margin and contingencies, which includes both profit and risk margin.

Taxes and Fees

The taxes and fees that have been included in the development of the gross premium index rate are as follows:

Item	Estimated % of Premium
Health Insurance Provider Tax	1.36%
Exchange Fee	1.40%
Patient Centered Outcomes Research Tax	0.04%
Risk Adjustment and Data Collection	0.02%
Transitional Reinsurance Contribution	1.12%
Total	3.94%

Projected Loss Ratio

The projected loss ratio using the federally prescribed MLR methodology is demonstrated below.

<u>Numerator</u>	
Incurred claims	\$367.14
Transitional reinsurance receipts	\$0.00
Risk corridors and risk adjustment payments	\$0.00
Risk corridors and risk adjustment related receipts	\$0.00
	<hr/>
	\$367.14
<u>Denominator</u>	
Earned premiums	\$469.55
Federal and state taxes and assessments	\$0.00
Licensing and regulatory fees, incl transitional reins contribs	<hr/> (\$18.49)
	\$451.06
MLR	81.3%

Allowed Claim Index Rate

The Part I Unified Rate Review template does not demonstrate the process we used to develop the rates. Rather, it represents information required by Federal regulation to be provided for certification of qualified health plans for Federally Facilitated Exchanges and for certification that the index rate is developed in accordance with Federal regulation and is used consistently and only adjusted by the allowable modifiers.

The index rate is defined in the URRT as allowed claims PMPM for essential health benefits. We did not calculate the rates with this starting point. We built the rates for the small group market using the methodology described earlier in this memorandum to arrive at a gross premium index rate to which all factors could be applied to arrive at the rates for each plan and each member. We developed plan value factors (also described earlier in this memorandum) and calculated the claim and premium estimates for each plan. We then developed an estimate of projected enrollment in each plan to arrive at average cost sharing, incurred claims, and premium across the small group single risk pool.

For all other plans, we assumed an average age factor of 1.425. We assumed an equal distribution of members across all eleven of the geographic areas, with an average factor of 1.002. The average tobacco factor allowed by the State of Colorado for small group plans is 1.15. Due to the template limitations on varying the tobacco factor by age for 2014, the plan will use a factor of 1.000 for 2014. We did not make any adjustments for morbidity in the Catastrophic plan, assuming that morbidity is adequately reflected in the age factors for the ages that are allowed to purchase that plan.

The average rate for each of the plans was developed by multiplying the gross premium index rate times the plan factor times the average age factor times the average geographic factor times the average tobacco factor for each plan. The average rate shown in the URRT is \$469.55.

With this approach, we were able to “work backwards” to develop the allowed claim index rate by removing the administrative, profit, fee, and tax loadings, adding back the reinsurance payments, and adding back the member cost sharing. This is demonstrated in the following table.

Item	PMPM
Average Premium Rate	\$469.55
Subtract Loadings for Admin, Profit, Fees, Taxes	(\$102.41)
	\$367.14
Add Net Reinsurance	\$0.00
	\$367.14
Add Member Cost Share	\$172.30
Allowed Claim Index Rate	\$539.44

AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review template were based entirely on the AV Calculator.

AV Pricing Values

The fixed reference plan used as the basis for the AV Pricing Values is a plan that pays 100% of all essential health benefits. The plan factors were developed from a proprietary plan value model which uses the company’s own utilization and unit costs for all components of health services. The model applies plan deductibles, coinsurance, out of pocket maximums, and copays to determine the total combined value of all components of cost sharing, and compares the remaining plan cost to the total cost of care to arrive at the plan value that is used in pricing each particular plan design.

Membership Projections

We projected 2014 enrollment in the plans by reviewing the enrollment pattern in existing plans and assuming that current members will purchase a plan with similar value to the plan they are currently enrolled in. We assumed that the company's small group enrollment will increase by 18.5% from its current level. This is based on the Society of Actuaries study *Cost of the Future Newly Insured under the Affordable Care Act (ACA), February 2013* that projected the potential growth of the small group market in 2014. We are projecting that 25% of the members will purchase the product with pediatric dental. We assumed an equal distribution of the new entrants to the market across the plan designs. The quarterly distribution was based on the renewal distribution of the existing plans. Based on these assumptions, our 2014 enrollment projections are shown in the URRT.

Terminated Products

Non ACA-compliant products will no longer be offered to new enrollees effective January 1, 2014 but will remain in effect in 2014 until enrollees renew onto ACA-compliant products.

Plan Type

The plan type adequately describes the plans being offered, has been selected for all plans.

Warning Alerts

There are two warning alerts in Worksheet 2, as follows:

- **Line 82, Total Premium.** The difference between the two numbers is less than \$8, out of a total of \$68.5 million. We assume this to be due to rounding differences. The warning requires an exact match which cannot be achieved unless all rounding protocols are the same. We respectfully suggest that this requirement be changed to allow for small rounding differences.
- **Line 86, Total Allowed Claims.** The difference between the two numbers is approximately the net amount of reinsurance. We understand that the definition for this line says that net reinsurance should be subtracted. However, reinsurance is subtracted again in line 93, so if line 86 is completed as defined, then the lines below will not match and will create warnings. We respectfully suggest that this be corrected with a future version of the URRT.

Reliance

I relied on information provided by Rocky Mountain Health Plans and publicly available to develop the 2014 premium rates. This information includes, but is not limited to the following:

- Administrative cost projections,
- Expected commissions by product,
- Product design information,
- Provider network information including discount data.

Actuarial Certification

I, Julie A. Andrews, am associated with the firm of Leif Associates, Inc. I am a member of the American Academy of Actuaries and have been retained by Rocky Mountain Health Care Options, to perform this rate development. I meet the Academy qualification standards for performing this assignment.

The Part I Unified Rate Review template does not demonstrate the process used to develop the rates. Rather, it represents information required by Federal regulation to be provided for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and is used consistently and only adjusted by the allowable modifiers.

I hereby certify that:

- The rates were developed in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- The rates were developed in compliance with the applicable Actuarial Standards of Practice.
- The rates are reasonable in relation to the benefits provided and the population anticipated to be covered.
- Based on information currently available, the rates are believed to be neither excessive nor deficient.
- The index rate and only the allowable modifiers as described in 45 CFR 156.80 (d)(1) and 45 CFR 156.80 (d)(2) were used to generate plan level rates.
- The percent of total premium that represents essential health benefits in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
- The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.



Julie A. Andrews, FSA, MAAA
Consulting Actuary
Leif Associates, Inc.
1515 Arapahoe St., Tower 1, Suite 530
Denver, CO 80202
(303) 294-0994

May 3, 2013

ACTUARIAL CERTIFICATION

Re: Rocky Mountain Health Care Options, Inc
Individual Rate Filing – Small Group Plans
Reference:
SERFF Filing #: LEIF-129012662
SERFF Binder Filing #: RCKY-CO14-125000893

Date: May 3, 2013

Actuarial Certification

Based on information provided to me by Rocky Mountain Health Care Options, Inc., I hereby certify that, to the best of my knowledge and belief, the proposed rates are reasonable in relation to the benefits provided and are not inadequate, excessive, or unfairly discriminatory.



5-3-2013

Consulting Actuary
Leif Associates, Inc.
1515 Arapahoe St., Tower 1, Suite 530
Denver, CO 80202
(303) 294-0994



ROCKY MOUNTAIN
HEALTH PLANS®

We understand Colorado. We understand you.

May 8, 2013

Leif Associates, Inc.
Elizabeth J. Leif, President
1515 Arapahoe Street, Tower 1, Suite 530
Denver, CO 80224

Dear Ms. Leif:

Please accept this letter as written confirmation that Leif Associates, Inc., has authority to submit form(s), rates, or certification(s) for HealthCare Options, Inc. (HCO) through SERFF for and during the 2014 year and to act on behalf of HCO regarding such filings. HCO may withdraw this authorization at any time, by giving notice to Leif Associates, Inc.

Sincerely,

Barry Barak
Director of Rating
HealthCare Options, Inc.

Cost Sharing—Supporting Documentation and Justification for Exceeding Annual Limitation on Small Group Deductibles

Please fill in the following information.

HIOS Issuer ID: 80208: Rocky Mountain Health Care Options

Cost sharing data element: Exceeding the annual limitation on the small group limitation. Plan ID: 80208CO0140001, 80208CO0140002, 80208CO0140003, 80208CO0140004

Statement Language:

The health plans identified above exceed the annual limitation on small group deductibles. As provided in 45 C.F.R. § 156.130(b)(3), a health plan may exceed the annual deductible limit if it cannot reasonably reach a given level of coverage (i.e. metal level) without doing so. These plans meet the reasonableness exception because the plan design results in an expected average cost sharing of at least 20 percent after reaching the deductible but before reaching the out-of-pocket maximum.

Additional Explanation (optional): The annual limitation was exceeded to achieve a bronze metal level and meets the safe harbor criteria of at least 20% average cost sharing after the deductible. Bronze metal plans were developed to provide a "glide path" for current products transitioning to new products.

Actuary Signature: 

Actuary Printed Name: Julie Andrews

Date: 5/3/2013

ACTUARIAL CERTIFICATION

Re: Rocky Mountain Health Care Options, Inc
Individual Rate Filing – Small Group Plans
Reference:
SERFF Filing #: LEIF-129012662
SERFF Binder Filing #: RCKY-CO14-125000893

Date: May 3, 2013

Actuarial Certification

Based on information provided to me by Rocky Mountain Health Care Options, Inc., I hereby certify that, to the best of my knowledge and belief, the proposed rates are reasonable in relation to the benefits provided and are not inadequate, excessive, or unfairly discriminatory.



5-3-2013

Consulting Actuary
Leif Associates, Inc.
1515 Arapahoe St., Tower 1, Suite 530
Denver, CO 80202
(303) 294-0994

Rocky Mountain HCO
Small Group Benefit Summary*
January 1, 2014

Summary Name	SILVER PLANS			Bronze		GOLD PLAN	
	GRP 1500-70 Copay RX	GRP 2000-70-Copay Rx	GRP 2000-70 40-60 Copay Rx	4500 60	GRP 3250 70 HDHP	GRP 500-80 Copay Rx	GRP 650-80 3500
HIOS Plan ID	80208CO0130004, 80208CO0130001	80208CO0130005, 80208CO0130002	80208CO0130006, 80208CO0130003	80208CO0140003, 80208CO0140001	80208CO0140002, 80208CO0140004	80208CO0120003, 80208CO0120001	80208CO0120004, 80208CO0120002
Deductible	\$1,500	\$2,000	\$2,000	\$4,500	\$3,250	\$500	\$650
OOP Max	\$6,350	\$6,350	\$6,000	\$6,350	\$6,350	\$3,000	\$4,000
Coinsurance	70%	70%	70%	60%	70%	80%	80%
Office Visit (OPPSA @ PCP Copay, Urgent Care @ Specialist Copay)	\$35 / \$50	\$45 / \$65	\$40 / \$60	\$50 PCP - Specialist - Ded/Coins.	After ded \$45/\$65	\$35 / \$50	\$35 / \$55
Emergency Room Copay	\$250 then deductible coinsurance applies	\$250 then deductible coinsurance applies	\$250 then deductible coinsurance applies	\$350 then deductible coinsurance applies	After Deductible 70%	\$150 then deductible coinsurance applies	\$150 then deductible coinsurance applies
Lab/Xray	\$30/\$50	\$40/\$55	\$40/\$55	After Deductible 60%	After Deductible 70%	\$30/\$50	After Deductible 80%
Rx Ded	\$0	\$0	\$0	Combined with Med.	Combined w/ Medical	\$0	\$0
Rx OOP Max	Combined with Med.	Combined with Med.	Combined with Med.	Combined with Med.	Combined w/ Medical	Combined with Med.	Combined with Med.
Rx	Tier 1 - \$15 Tier 2 - \$40 Tier 3 - \$55 Tier 4 - 70% Tier 5 - 60%	Tier 1 - \$15 Tier 2 - \$40 Tier 3 - \$55 Tier 4 - 70% Tier 5 - 60%	Tier 1 - \$15 Tier 2 - \$40 Tier 3 - \$55 Tier 4 - 70% Tier 5 - 60%	Tier 1 - \$20 (after Ded) After Rx Ded: Tier 2 - 60% Tier 3 - 60% Tier 4 - 50% Tier 5 - 50%	After ded Tier 1 - \$15 Tier 2 - \$40 Tier 3 - \$55 Tier 4 - 70% Tier 5 - 60%	Tier 1 - \$15 Tier 2 - \$40 Tier 3 - \$55 Tier 4 - 70% Tier 5 - 60%	After \$0 Ded Tier 1 - \$15 Tier 2 - \$40 Tier 3 - \$55 Tier 4 - 70% Tier 5 - 60%

*Represents In-Network Benefits Only.

ACTUARIAL MEMORANDUM

Pursuant to Colorado Regulation 4-2-11 Section 6, rate filings must contain an Actuarial Memorandum. The Division of Insurance developed this template Memorandum, to reduce the number of returned incomplete filings. For additional information and table General filing requirements, Actuarial Certification requirements, and submission requirements are identified in Section 5 of Colorado Regulation 4-2-11. For requirements by line of business, see Section 7 of this regulation. Rate filings submitted without ALL requirements of the regulations could be disapproved or rejected by the Colorado Division of Insurance.

		Instructions/Descriptions
Company:	Rocky Mountain Healthcare Options	Company Name
NAIC #:	47004	NAIC Company Code (CoCode)
SERFF Filing #:	LEIF-129012662	SERFF Filing Number
SERFF Binder Filing #:	RCKY-CO14-125000893	

A: SUMMARY		
1. Reason(s):	This filing is a new rate filing for new non-grandfathered products to be offered inside and outside the exchange.	A statement whether this is a new filing, a rate revision, or a new option being added to an existing form. If the filing is a rate revision, the reason for the revision should be stated.
2. Requested Rate Action:	0%	The overall rate increase or decrease amount should be listed. List rate change and average change in each component of rate changes and renewal by effective months. List 12 month renewal with changes by component and the averages by component.
3. Marketing method(s):	These plans will be marketed through the exchange and are marketed through direct sales and agents.	A brief description of the marketing method used for the filed form should be listed. (Agency/Broker, Internet, Direct Response, Other)
4. Premium Classification(s):	The premium rates may vary by age, plan design, geographic region, tobacco use, and family size.	The section should state all attributes upon which the premium rates vary. This must comply with the new rating reforms.
5. Product Description(s):	Please reference the Plan and Benefit Template provided in the Binder #RCKY-CO14-125000893	This section should describe the benefits provided by the policy. *Must include EHB and list any substitution of benefits or any additional benefits above the EHB.
6. Policy/Rider Impacted:	Please see Form Schedule tab in SERFF.	This can be completed on the form schedule tab in SERFF
7. Age Basis:	The premium charged on an attained age basis.	A statement as to whether the premiums will be charged on an issue age, attained age, renewal age or other basis and the issue age range of the form should be specified.
8. Renewability provision:	These products are guaranteed renewable.	All policies should be guaranteed renewable.
Additional Information:		

B. ASSUMPTION, MERGER OR ACQUISITION		
1. Is product part of assumption, acquisition, or merger (from or with another company)?	No, these products are not part of any assumption or acquisition.	Yes/No
Assumption:	No	Yes/No
Acquisition:	No	Yes/No
Merger:	No	Yes/No
2. If yes, provide name of company(s):	NA	Company Name
3. Closing Date of assumption, merger or acquisition:	NA	DD/MM/YYYY
Additional Information:	NA	

C. RATING PERIOD		
Proposed Effective Date: (may not say "upon approval")	1/1/2014	Date (DD/MM/YYYY)
Rating Period:	Quarterly	(Annual, Semi-Annual, Quarterly, Other)
Rating Period Dates:	1/1/2014 to 12/31/2014	DD/MM/YYYY to DD/MM/YYYY

D. EFFECT OF LAW CHANGES		
Identify and quantify changes resulting from mandated benefits and other law changes:	<p>Effective January 1, 2014, the provisions of federal health care reform (PPACA) to make care affordable and accessible for all Americans by requiring for example, that health plans cover Essential Health Benefits on a guaranteed issue basis. In addition, the exchange provisions of the regulation will be fully implemented along with the fees associated with the exchange. Included are the Women's Preventive Services implemented August 2012 providing specified preventive services without cost sharing. Per the May 6, 2013 "Carrier EHB Instructions.pdf" Benefit Specific Instructions provided for the Plans and Benefits Template, RMHP has utilized both Option 1 and Option 2 as described here:</p> <ul style="list-style-type: none"> Anesthesia – (Option 2): Other anesthesia is addressed via the explanation field under "Outpatient Surgery" and "Inpatient Hospital benefit" as coinsurance after deductible. Dental Anesthesia is currently called out separately in the template – addressed as such with limitation for children who meet certain criteria. Breast Reconstruction Surgery – (Option 2): Addressed in template under "Reconstructive Surgery" via the Exclusion section: "Services and supplies not specifically listed as covered in the Evidence of Coverage, such as breast reconstruction except as part of a mastectomy." Cardiac Rehabilitation – (Option 2): Addressed in template via explanation field under "Outpatient Rehabilitation Services" – coinsurance after deductible. Pulmonary Rehabilitation – (Option 2): Addressed in template under "Outpatient Rehabilitation Services" – coinsurance after deductible. Autism Spectrum Disorders – (Option 1): Added Benefit Hearing Exams – (Option 1): Added Benefit Smoking Cessation Program – (Option 2): Addressed in template via explanation field under "Preventive Care/Screening/Immunization" – Includes Smoking Cessation. Contraceptive Services – (Option 1): Added Benefit titled "Outpatient Contraceptive Services Including Sterilizations". Included this Exclusion language "Over-the-counter contraceptive drugs or devices which do not require a prescription, except those listed as included in the RMHP formulary, abortifacient drugs, reversal of voluntary sterilization, services and procedures to verify the success of reversal of voluntary sterilization." 	<p>The memorandum should identify, quantify, and adequately support any changes to the rates, expenses, and/or medical costs that result from changes in law(s) or regulation(s), including federal, state or local. All applicable benefit mandates should be listed, including those with no rating impact. This quantification must include the effect of specific mandated benefits and anticipated changes both individually by benefit, as well as for all benefits combined.</p>

Additional Information:	Additional information regarding the impact of the various implementation elements of the 2014 PPACA regulation may be found in Exhibit C1.	
E. RATE HISTORY		
Provide rate changes made in at least the last three years (If available)	Complete tab "Rate History"	
	N/A (Initial Filing)	
F. COORDINATION OF BENEFITS		
Provides actual loss experience net of any savings:	Health Care Options coordinates benefits on its small group policies. The loss experience used in setting the rates is net of any collection of subrogation or coordination of benefits amounts and results in an equitable reduction in premiums for all policyholders.	Each rate filing must reflect actual loss experience net of any savings associated with coordination of benefits and/or subrogation.
Additional Information:	NA	
G. RELATIONSHIP OF BENEFITS TO PREMIUM		
Description	Percentage	
Commissions	3.2%	The memorandum must adequately support the reasonableness of the relationship of the projected benefits to projected earned premiums for the rating period. (This number should equal 1 minus the total retention percentage listed above.)
General expenses	14.2%	
Premium taxes	0.0%	
Profit/Contingencies	1.4%	
PPACA Fees	2.5%	
Exchange Fees	1.4%	
Investment Income	-0.9%	
Other		
Total Retention:	21.9%	
Targeted Loss Ratio:	78.1%	
H. PROVISION FOR PROFIT AND CONTINGENCIES		
1. Provision for Profit and Contingencies:	0.5 %	Pre-FIT After tax
2. Proposed load in excess of 7% after tax.	NA	
Provide detailed support:	The proposed rates contain a 0.50% provision for profit/contingencies, including investment income	
Additional Information:	NA	
I. DETERMINATION OF PROPOSED RATES		
Include all underlying rating assumptions, with detailed support for each assumption. This explanation may be on an aggregate expected loss basis or as a per-member-per-month (PMPM) basis. (this can be attached with support in a pdf document)		The memorandum must contain a section with a complete explanation as to how the proposed rates were determined, including all underlying rating assumptions, with detailed support for each assumption. This includes all rating factors.
1. Explain, in detail, how rates and/or rate changes were developed:	<p>The premium rates for the new HCO Small Group plans were based on the following steps:</p> <ul style="list-style-type: none"> • The claim costs underlying the various plans were trended to the rating period beginning January 1, 2014. • The trended claim costs were adjusted for the anticipated impact of federal health reform measures that have become effective and will be effective on January 1, 2014. These adjustments include Women's Wellness effective August 1, 2012, • The trended claims costs were adjusted for the mix of business to determine the indicated HCO Small Group Base Rate. These adjustments include age, family mix and geographic mix. • The adjusted trended claims costs were adjusted for retention components, new taxes and exchange fees to generate the full index rate for the single risk pool. 	
2. Provide adequate support for all assumptions and methodologies used:	Additional detail supporting all assumptions may be found in Exhibit C1.	
J. TREND		
Additional support and information must be provided on the "Historical Trend" and "Normalized Trend" tabs		Describe the trend assumptions used in pricing. Each assumption must be separately discussed, adequately supported, and must also be appropriate for the specific line of business, product design, benefit configuration, and time period. Any and all factors affecting the projection of future claims must be presented and adequately supported. The Total Average Annualized Trend MUST be filled out. Underwriting wearoff means the gradual increase from initial low expected claims that result from underwriting selection to higher expected claims for later (ultimate) durations. Underwriting wearoff does not apply to guaranteed issue products.
Itemized trend component	Trend (%)	
MEDICAL TREND (total)	0.073	
Medical provider price increase	0.052	
Utilization changes	0.02	
Medical cost shifting		
Medical procedures and new technology		
INSURANCE TREND (total)		

Underwriting wearoff		
Deductible leveraging		
Anti-selection		
PHARMACEUTICAL TREND (total)	0.058	
Price increases	-0.019	
Utilization changes	0.034	
Cost shifting		
Introduction of new brand and generic drugs	0.043	
TOTAL AVERAGE ANNUALIZED TREND (required)	0.071	
Additional information:	Additional detail supporting all assumptions may be found in Exhibit C1.	

K. CREDIBILITY		
1. Credibility Percentage (Colorado Only):	100 % If other, please specify	The Colorado standard for fully credible data is 2,000 life years and 2,000 claims. Both standards must be met within a maximum of three years, if the proposed rates are based on claims experience. Discuss the credibility of the Colorado data with the proposed rates based upon as much Colorado data as possible. Identify and discuss the source, applicability and use of collateral data used to support partially credible Colorado data. The use of collateral data is only acceptable if the Colorado data does not meet the full credibility standard. The formula for determining the amount of credibility to assign to the data is $\sqrt{\frac{\text{life years or claims}}{\text{full credibility standard}}}$. The full credibility standard is defined above
The above credibility percentage is based upon:	The data meets both credibility criteria, life years and claims for Colorado.	
Other (please specify)	NA	
2. Number of years of data used to calculate above credibility percentage:	1	
3. Discuss how and if aggregated data meets the Colorado credibility requirement and how the rating methodology was modified for the partially credible data, if applicable.	The experience data was based on 182,042 member months with 393,204 claims.	
Additional Information: (including collateral data, if used)	NA	

L. DATA REQUIREMENTS Complete tab "Data Requirements"

M. SIDE-BY-SIDE COMPARISON Complete tab "Side by Side Comparison"

N. BENEFITS RATIO PROJECTIONS Complete tab "Projected Benefits Ratio"

O. OTHER FACTORS		
Identify and provide support for other rating factors and definitions, including area factors, age factors, gender factors, etc.:	A complete set of rates and rating factors effective January 1, 2014 can be found in Worksheet "Rate Manual" of this file.	The memorandum must clearly display or clearly reference all other rating factors and definitions, including the area factors, age factors, gender factors, etc., and support for each of these factors in a new rate filing. The same level of support for changes to any of these factors must be included in renewal rate filings. In addition, the Commissioner expects each carrier to review each of these rating factors at least every five years and provide detailed support for the continued use of each of these factors in a rate filing. Gender factors shall not vary for individual health care coverage effective on or after January 1, 2011. See Section 8.C of this regulation.
Additional Information:	The requested "Rate Sample" based on (a. 40 year old non-smoker b. Each metal level c. Each Network if multiple networks in an area) as specified in the FAQ response to Question 3, dated 4/30/2013 is attached as a separate document.	

E. RATE HISTORY					
Provide rate changes made in at least the last three years (if available) N/A (Initial Filing)					
COLORADO					
State Tracking Number	% OF CHANGE				
or SERFF Tracking Number	Effective Date	Minimum	Average	Maximum	Cumulative for past 12 Months
NATIONWIDE					
Effective Date	Average % of change	Cumulative for past 12 Months			
Additional Information:					

L. DATA REQUIREMENTS								
Colorado-only basis for at least 3 years. Include national, regional or other appropriate basis, if the Colorado data is not fully credible. The experience period must include consecutive data no older than 9 months prior to the proposed effective date.								
COLORADO								
Year*	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Loss Ratio	Average Covered Lives	Number of Claims	Colorado On Rate Level Premium
2010	\$56,008,626	\$44,957,603	\$44,957,603	\$0	80.3%	154,543	312,205	\$66,504,656
2011	\$67,356,836	\$54,655,156	\$54,655,156	\$0	81.1%	179,549	374,523	\$77,265,515
2012	\$72,123,275	\$58,672,309	\$60,168,712	\$1,496,402	83.4%	182,042	393,204	\$72,123,275
2013	NA	NA	NA	NA	NA	NA	NA	NA
*This column should be Calendar Year. If fractional year is used, identify period as MM/YYYY – MM/YYYY								
Above data is for:	Comparable Product		The above data represents the Rocky Mountain Healthcare Options small group product portfolio.					
OTHER DATA								
Year	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Average Covered Lives	Number of Claims		
2010	\$10,714,117	\$8,302,986	\$8,302,986		29,644	58,494		
2011	\$41,786,099	\$37,408,895	\$37,408,895		120,131	248,082		
2012	\$46,389,575	\$38,250,344	\$39,255,169	\$1,004,825	118,378	259,696		
2013	NA							
Above data is for:	Comparable Product		The above additional data represents the existing nongrandfathered portion of the Rocky Mountain Healthcare Options small group portfolio.					
Experience Period: (From ___ to ___)	January 2012 through December 2012, paid through February 2013							
Additional Information:								

N. PROJECTED EXPERIENCE FOR RATING PERIOD			
	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	NA	NA	NA
Projected Experience With Rate Change	\$ 68,235,536.91	\$ 53,353,355.95	78.2%
Additional Information	This is an initial product filing, therefore, the "without rate change" is not applicable. The projected benefits ratio is below the 4-2-11 small group guideline of 80.0% and is actuarially justified by the additional coverage of 3.9% of PPACA and Exchange fees under the product.		

In this Model the health plan will only be asked to enter data shown in Red, the other cells are all calculated as part of the State's Evaluation Model

Step 1:

Enter Your Member and Claim Information for the most Recent 4 Years. If your plan has less than 4 years of data then enter the amount since plan inception. The most recent month should be within 6 months of the date that you filed rates. Enter the most recent month in Row# 48.

Month Through Which Claims are Paid:

Row #	Month	Members	Medical		Pharmacy		Medical	Pharmacy	Total
			Total	Estimated	Total	Estimated	12-Month	12-Month	12-Month
			Incurring Claims	IBNR Claims	Incurring Claims	IBNR Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	200901	12,301	\$2,758,592	\$0	\$333,986	\$0			
2	200902	11,835	\$2,876,646	\$0	\$293,783	\$0			
3	200903	11,362	\$2,975,881	\$0	\$309,481	\$0			
4	200904	11,106	\$2,707,246	\$0	\$295,943	\$0			
5	200905	10,464	\$2,552,413	\$0	\$249,869	\$0			
6	200906	10,254	\$2,390,272	\$0	\$284,207	\$0			
7	200907	10,367	\$2,744,773	\$0	\$285,885	\$0			
8	200908	10,337	\$2,136,649	\$0	\$313,753	\$0			
9	200909	10,331	\$2,335,500	\$0	\$315,009	\$0			
10	200910	10,361	\$2,856,581	\$0	\$342,410	\$0			
11	200911	10,478	\$3,303,569	\$0	\$338,836	\$0			
12	200912	10,910	\$2,800,740	\$0	\$407,503	\$0			
13	201001	11,746	\$2,409,645	\$0	\$330,250	\$0			
14	201002	11,785	\$2,669,464	\$0	\$350,373	\$0			
15	201003	12,029	\$3,547,569	\$0	\$441,487	\$0			
16	201004	12,256	\$3,076,489	\$0	\$437,825	\$0			
17	201005	12,777	\$3,085,222	\$0	\$447,126	\$0			
18	201006	13,082	\$3,680,503	\$0	\$501,076	\$0			
19	201007	13,167	\$3,254,118	\$0	\$503,213	\$0			
20	201008	13,208	\$3,550,563	\$0	\$519,458	\$0			
21	201009	13,357	\$3,446,349	\$0	\$533,003	\$0			
22	201010	13,460	\$2,856,806	\$0	\$562,693	\$0			
23	201011	13,445	\$4,039,145	\$0	\$611,752	\$0			
24	201012	14,231	\$3,486,617	\$0	\$616,855	\$0	1.48%	30.63%	4.52%
25	201101	15,022	\$4,310,212	\$0	\$507,461	\$0	4.89%	31.41%	7.68%
26	201102	14,988	\$3,445,918	\$0	\$511,047	\$0	5.39%	30.27%	8.06%
27	201103	14,997	\$3,765,588	\$0	\$588,103	\$0	2.72%	27.24%	5.38%
28	201104	15,028	\$3,647,912	\$0	\$590,397	\$0	2.13%	24.82%	4.65%
29	201105	14,974	\$4,211,427	\$0	\$674,577	\$0	3.60%	23.80%	5.91%
30	201106	14,895	\$3,757,043	\$0	\$687,108	\$0	0.95%	22.37%	3.42%
31	201107	14,879	\$3,262,205	\$0	\$645,821	\$0	0.54%	20.39%	2.90%
32	201108	14,904	\$3,927,411	\$0	\$746,520	\$0	-1.47%	20.35%	1.13%
33	201109	14,905	\$3,350,163	\$0	\$751,950	\$0	-3.41%	20.18%	-0.57%
34	201110	15,050	\$3,956,873	\$0	\$723,673	\$0	0.21%	19.16%	2.57%
35	201111	14,992	\$4,729,259	\$0	\$779,285	\$0	0.91%	17.17%	2.99%
36	201112	14,915	\$4,249,636	\$0	\$835,567	\$0	2.61%	18.24%	4.64%
37	201201	14,778	\$4,326,122	\$1,065	\$564,274	\$0	0.10%	18.18%	2.42%
38	201202	14,682	\$3,269,893	\$1,702	\$613,475	\$0	0.03%	19.13%	2.50%
39	201203	14,831	\$3,280,261	\$2,146	\$688,763	\$0	0.38%	20.09%	2.97%
40	201204	14,948	\$4,080,318	\$2,616	\$707,015	\$0	1.71%	20.97%	4.26%
41	201205	15,074	\$4,402,447	\$5,250	\$765,090	\$0	0.76%	19.62%	3.28%
42	201206	15,085	\$4,121,170	\$9,431	\$745,120	\$0	2.37%	18.32%	4.54%
43	201207	15,256	\$4,108,199	\$23,830	\$742,904	\$0	5.07%	18.17%	6.89%
44	201208	15,349	\$4,899,939	\$28,404	\$801,943	\$0	7.13%	16.06%	8.39%
45	201209	15,454	\$4,276,096	\$59,873	\$781,755	\$0	10.17%	13.72%	10.68%
46	201210	15,518	\$4,331,411	\$137,765	\$857,838	\$0	9.29%	13.76%	9.94%
47	201211	15,562	\$4,639,171	\$435,274	\$858,195	\$0	8.98%	12.94%	9.56%
48	201212	15,505	\$3,897,797	\$788,663	\$913,114	\$383	8.18%	10.89%	8.58%

Start Month	End Month	Members Months	Medical		Pharmacy		One Year Trends		
			Total Incurring Claims	Estimated IBNR Claims	Total Incurring Claims	Estimated IBNR Claims	Medical Trend	Pharmacy Trend	Total Trend
200901	200912	130,106	32,438,861	0	3,770,664	0			
201001	201012	154,543	39,102,492	0	5,855,112	0	1.5%	30.6%	4.5%
201101	201112	179,549	46,613,648	0	8,041,508	0	2.6%	18.2%	4.6%
201201	201212	182,042	49,632,823	1,496,019	9,039,486	383	8.2%	10.9%	8.6%

In this Model the health plan will only be asked to enter data shown in Red, the other cells are all calculated as part of the State's Evaluation Model

Enter Your Member and Normalized Claim Information for the most Recent 4 Years. If your plan has less than 4 years of data then enter the amount since plan inception. The most recent month should be within 6 months of the date that you filed rates. Enter the most recent month in Row# 48.

Claims should be normalized for demographic changes, benefit changes, uw wear-off if applicable, and any other rating factors that are appropriate to normalize for.

Month Through Which Claims are Paid:

Row #	Month	Members	Medical	Pharmacy	Medical	Pharmacy	Total
			Normalized	Normalized	12-Month	12-Month	12-Month
			Incurred Claims	Incurred Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	200901	12,301	\$3,485,656	\$551,404			
2	200902	11,835	\$3,634,825	\$485,030			
3	200903	11,362	\$3,760,214	\$510,947			
4	200904	11,106	\$3,420,777	\$488,595			
5	200905	10,464	\$3,225,136	\$412,528			
6	200906	10,254	\$3,020,260	\$469,219			
7	200907	10,367	\$3,468,195	\$471,990			
8	200908	10,337	\$2,699,791	\$518,000			
9	200909	10,331	\$2,951,053	\$520,073			
10	200910	10,361	\$3,609,471	\$565,311			
11	200911	10,478	\$4,174,269	\$559,411			
12	200912	10,910	\$3,538,912	\$672,779			
13	201001	11,746	\$3,095,782	\$501,558			
14	201002	11,785	\$3,429,584	\$532,119			
15	201003	12,029	\$4,557,726	\$670,495			
16	201004	12,256	\$3,952,508	\$664,934			
17	201005	12,777	\$3,963,728	\$679,060			
18	201006	13,082	\$4,728,512	\$760,994			
19	201007	13,167	\$4,180,715	\$764,241			
20	201008	13,208	\$4,561,572	\$788,912			
21	201009	13,357	\$4,427,684	\$809,483			
22	201010	13,460	\$3,670,271	\$854,573			
23	201011	13,445	\$5,189,277	\$929,082			
24	201012	14,231	\$4,479,418	\$936,831	3.18%	20.16%	5.43%
25	201101	15,022	\$5,449,874	\$739,759	6.34%	21.33%	8.32%
26	201102	14,988	\$4,357,053	\$744,986	6.56%	20.76%	8.46%
27	201103	14,997	\$4,761,246	\$857,316	3.52%	18.56%	5.54%
28	201104	15,028	\$4,612,456	\$860,661	2.64%	16.82%	4.57%
29	201105	14,974	\$5,324,970	\$983,375	3.83%	16.29%	5.56%
30	201106	14,895	\$4,750,442	\$1,001,642	0.88%	15.37%	2.90%
31	201107	14,879	\$4,124,765	\$941,455	0.21%	13.90%	2.16%
32	201108	14,904	\$4,965,857	\$1,088,252	-2.04%	14.23%	0.26%
33	201109	14,905	\$4,235,979	\$1,096,167	-4.21%	14.41%	-1.56%
34	201110	15,050	\$5,003,109	\$1,054,945	-0.85%	13.77%	1.29%
35	201111	14,992	\$5,979,722	\$1,136,015	-0.45%	12.14%	1.43%
36	201112	14,915	\$5,373,282	\$1,218,060	0.98%	13.49%	2.87%
37	201201	14,778	\$5,367,481	\$774,014	-1.50%	13.35%	0.70%
38	201202	14,682	\$4,058,116	\$841,504	-1.57%	14.14%	0.77%
39	201203	14,831	\$4,071,528	\$944,776	-1.22%	14.91%	1.21%
40	201204	14,948	\$5,064,508	\$969,812	0.05%	15.59%	2.41%
41	201205	15,074	\$5,467,346	\$1,049,473	-0.92%	14.12%	1.37%
42	201206	15,085	\$5,123,635	\$1,022,081	0.63%	12.71%	2.51%
43	201207	15,256	\$5,125,406	\$1,019,042	3.26%	12.39%	4.70%
44	201208	15,349	\$6,113,160	\$1,100,025	5.24%	10.17%	6.04%
45	201209	15,454	\$5,378,374	\$1,072,333	8.21%	7.72%	8.13%
46	201210	15,518	\$5,543,606	\$1,176,696	7.30%	7.55%	7.34%
47	201211	15,562	\$6,294,386	\$1,177,186	6.96%	6.55%	6.89%
48	201212	15,505	\$5,813,127	\$1,253,044	6.13%	4.35%	5.83%

Start Month	End Month	Members Months	Medical	Pharmacy	One Year Trends		
			Total Incurred Claims	Total Incurred Claims	Medical Trend	Pharmacy Trend	Total Trend
200901	200912	130,106	40,988,561	6,225,288			
201001	201012	154,543	50,236,778	8,892,284	3.2%	20.2%	5.4%
201101	201112	179,549	58,938,756	11,722,633	1.0%	13.5%	2.9%
201201	201212	182,042	63,420,672	12,399,984	6.1%	4.3%	5.8%

Rocky Mountain HCO
Small Group Rating Factors
January 1, 2014

Base Rate 1/1/2014	\$	471.98
Base Rate 4/1/2014	\$	480.11
Base Rate 7/1/2014	\$	488.38
Base Rate 10/1/2014	\$	496.79

Geographic Rating Area	Description	Counties	Geographic Rating Factor
Rating Area 1	Boulder MSA	Boulder	1.11
Rating Area 2	Colorado Springs MSA	El Paso, Teller	0.86
Rating Area 3	Denver MSA	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	0.97
Rating Area 4	Fort Collins MSA	Larimer	1.21
Rating Area 5	Mesa MSA	Mesa	0.86
Rating Area 6	Greeley MSA	Weld	1.16
Rating Area 7	Pueblo MSA	Pueblo	1.11
Rating Area 8	East South	Alamosa, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, Fremont, Huerfano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Rio Grande, Saguache	1.06
Rating Area 9	East North	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	1.36
Rating Area 10	West	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	1.01
Rating Area 11	Resort	Eagle, Garfield, Pitkin, Summit	1.40

PPACA Age Bracket	Age Factor	Tobacco Factor
0 - 20	0.635	1.000
21	1.000	1.000
22	1.000	1.000
23	1.000	1.000
24	1.000	1.000
25	1.004	1.000
26	1.024	1.000
27	1.048	1.000
28	1.087	1.000
29	1.119	1.000
30	1.135	1.000
31	1.159	1.000
32	1.183	1.000
33	1.198	1.000
34	1.214	1.000
35	1.222	1.000
36	1.230	1.000
37	1.238	1.000
38	1.246	1.000
39	1.262	1.000
40	1.278	1.000
41	1.302	1.000
42	1.325	1.000
43	1.357	1.000
44	1.397	1.000
45	1.444	1.000
46	1.500	1.000
47	1.563	1.000
48	1.635	1.000
49	1.706	1.000
50	1.786	1.000
51	1.865	1.000
52	1.952	1.000
53	2.040	1.000
54	2.135	1.000
55	2.230	1.000
56	2.333	1.000
57	2.437	1.000
58	2.548	1.000
59	2.603	1.000
60	2.714	1.000
61	2.810	1.000
62	2.873	1.000
63	2.952	1.000
64+	3.000	1.000

Plan Name	Plan ID	Plan Factor
Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35 (w/Child Dental)	80208CO0120001	0.843
Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35 (w/Child Dental)	80208CO0120002	0.819
Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35	80208CO0120003	0.830
Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35	80208CO0120004	0.807
Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35 (w/Child Dental)	80208CO0130001	0.704
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45 (w/Child Dental)	80208CO0130002	0.689
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40 (w/Child Dental)	80208CO0130003	0.694
Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35	80208CO0130004	0.694
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45	80208CO0130005	0.679
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40	80208CO0130006	0.683
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50 (w/Child Dental)	80208CO0140001	0.594
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45 (w/Child Dental)	80208CO0140002	0.617
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	0.585
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	0.607

Family Rate Cap: No more than three covered children under the age of 21 will be taken into account in determining the family premium.

Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 2	Standard	\$303.46
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 3	Standard	\$342.29
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 4	Standard	\$426.97
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 5	Standard	\$303.46
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 6	Standard	\$409.33
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 7	Standard	\$391.68
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 8	Standard	\$374.03
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 9	Standard	\$479.90
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 10	Standard	\$356.40
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	Bronze	Rating Area 11	Standard	\$494.01
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 1	Standard	\$406.42
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 2	Standard	\$314.87
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 3	Standard	\$355.16
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 4	Standard	\$443.03
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 5	Standard	\$314.87
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 6	Standard	\$424.72
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 7	Standard	\$406.42
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 8	Standard	\$388.10
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 9	Standard	\$497.95
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 10	Standard	\$369.80
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	Bronze	Rating Area 11	Standard	\$512.59

State: Colorado **Filing Company:** Rocky Mountain Health Care Options, Inc.
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO
Product Name: HCO Small Group
Project Name/Number: January 2014 HCO Small Group/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/17/2013		Supporting Document	Actuarial Memorandum and Certifications	07/12/2013	Part III RMHCO Small Group 2014 Actuarial Memorandum (6-24-2013).pdf (Superseded)
05/30/2013		Supporting Document	Actuarial Memorandum	07/12/2013	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-31-13).xls (Superseded) Actuarial Memorandum HCO SG (5-31-13).pdf (Superseded) Benefit Summary Table Small Group HCO 5-31-2013.pdf
05/30/2013		Supporting Document	Rate Sample	07/12/2013	Rate Sample HCO SG (6-3-2013).xls (Superseded) Rate Sample HCO SG (6-3-2013).pdf (Superseded)
05/28/2013		Supporting Document	Rate Sample	05/30/2013	Rate Sample HCO SG (6-3-2013).xls
05/17/2013		Rate	January 2014 HCO Small Group	07/12/2013	January 2014 Rates & Factors HCO Small Group (5-13-13).xls (Superseded)

SERFF Tracking #:

LEIF-129012662

State Tracking #:

278015

Company Tracking #:

LEIF-129012662

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/17/2013		Supporting Document	Actuarial Memorandum	05/30/2013	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-31-13).xls
05/16/2013		Supporting Document	Unified Rate Review Template	07/12/2013	URRTFinalRMHCOSG.xlsx (Superceded) URRTRMHCOSG5-17-2013.xls (Superceded)
05/15/2013		Supporting Document	Unified Rate Review Template	05/16/2013	URRTFinalRMHCOSG.xlsx
05/12/2013		Supporting Document	Actuarial Memorandum	05/17/2013	Cost Sharing HCO Small Group Deductible Safe Harbor Justification.pdf 2014 Small Group HCO Actuarial Certification 2014 01 (4-2-11).pdf Actuarial Memorandum HCO SG (5-13-13).xls (Superceded)
05/02/2013		Supporting Document	Unified Rate Review Template	05/15/2013	UnifiedRateReviewSubmissionRMH COSG_2013051212244.xml (Superceded)
05/02/2013		Rate	January 2014 HCO Small Group	05/17/2013	January 2014 Rates & Factors HCO Small Group (5-13-13).xls

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Company Tracking #:

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Colorado

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Product Name:

HCO Small Group

Project Name/Number:

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Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/02/2013		Supporting Document	Actuarial Memorandum and Certifications	06/17/2013	Part III RMHCO Small Group 2014 Actuarial Memorandum.pdf (Superseded)

State:

Colorado

Filing Company:

Rocky Mountain Health Care Options, Inc.

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.003A Small Group Only - PPO

Product Name:

HCO Small Group

Project Name/Number:

January 2014 HCO Small Group/

Attachment Actuarial Memorandum HCO SG (5-31-13).xls is not a PDF document and cannot be reproduced here.

Attachment Rate Sample HCO SG (6-3-2013).xls is not a PDF document and cannot be reproduced here.

Attachment January 2014 Rates & Factors HCO Small Group (5-13-13).xls is not a PDF document and cannot be reproduced here.

Attachment URRTFinalRMHCOSG.xlsx is not a PDF document and cannot be reproduced here.

Attachment URRTRMHCOSG5-17-2013.xls is not a PDF document and cannot be reproduced here.

Attachment Actuarial Memorandum HCO SG (5-13-13).xls is not a PDF document and cannot be reproduced here.

Attachment UnifiedRateReviewSubmissionRMHCOSG_2013051212244.xml is not a PDF document and cannot be reproduced here.

ACTUARIAL MEMORANDUM AND CERTIFICATION

Re: Rocky Mountain Health Care Options
2014 Small Group Plan Rates

Date: May 3, 2013, revised June 24, 2013

General Information

Company Identifying Information

- Company Legal Name: Rocky Mountain HCO
- State: Colorado
- HIOS Issuer ID: 80208
- Market: Small Group
- Effective Date: January 1, 2014

Company Contact Information

- Primary Contact Name: Barry Barak
- Primary Contact Telephone Number: 970-244-7978
- Primary Contact Email Address: Barry.Barak@rmhp.org

Proposed Rate Increase(s)

This filing is for new QHP products that will be sold through the Colorado Exchange as well as in the small group market outside the Exchange. This is not a rate increase.

Experience Period Premium and Claims

No experience period claims are provided in the Unified Rate Review Template (URRT), since this is not a rate increase. The URRT would not accept a PMPM of zero for the experience period claims, so we entered placeholder utilization and unit costs in the prescription drug line to create a PMPM of \$1.00 so that the URRT would function properly.

Benefit Categories

The benefit categories were segregated by place of service, inpatient benefits were measured by admits, while outpatient benefits were measured by a day of service. Ambulatory professional benefits were split into "Professional" and "Other". "Other" services include DME, Ambulance, Home Health, Medical and Surgical Supplies, Home Health and Other Services. These benefit categories are measured based on the number of services provided. Pharmacy services are based on script count normalized to 30 days while capitation is stated as cost per member.

Projection Factors

No experience period claims are provided in the Unified Rate Review Template (URRT), since this is not a rate increase. The URRT would not accept a zero for the projection factors, so we entered placeholder factors in the prescription drug line to create a PMPM of \$1.00 so that the URRT would function properly.

Credibility Manual Rate Development

Source and Appropriateness of Experience Data Used

The allowed claims experience of Rocky Mountain HCO's existing small group grandfathered and non-grandfathered business was used as a starting point for the development of the new 2014 products. The combined experience was utilized to maximize the credibility of the experience. Adjustments were made for demographics, morbidity, geographic area, benefits, and trend. Rocky Mountain Health Care Option's small group product line 2012 data included \$75.9 million in allowed claims and approximately 182,000 member months.

Adjustments Made to the Data

The proposed 2014 rates were impacted by the following factors:

- There are many new benefits that must be covered, such as pediatric vision, pediatric dental, women's wellness, and habilitative benefits. These changes all added significant cost to the new plan designs.
- Annual increases in the cost of health care are expected to continue, since there are no inherent cost controls in the new plan designs.
- New fees and taxes include the following:
 - An Exchange fee of 1.4% plus \$1.80 PMPM
 - A health insurance provider fee
 - A charge for risk adjustment and data collection
 - The patient-centered outcomes research tax
 - The \$5.25 PMPM transitional reinsurance contribution

The following bullets describe the development of the 2014 individual rates. The numbers shown below do not coincide with the numbers in the URRT, since we did not develop the rates in the way demonstrated in the URRT. The development of the numbers in the URRT is described later in this memorandum.

We made the following adjustments to the 2012 allowed claims for the existing small group business in the development of the 2014 allowed claim estimates.

- We first developed an allowed 2012 PMPM for each category of service: Inpatient, Outpatient, Professional, Other, Capitation and Pharmacy. The experience contained a mix of pharmacy plan types, but only those plans covering generic and brand drugs were included in the development and were adjusted for rebates.
- Using the current member distribution by age, we calculated the average age factor using the mandated 2014 age factors. The average age factor was 1.425.
- Using the current member family size, we calculated an adjustment factor to recognize the 2014 cap on the number of child rates. The adjustment factor was 0.989.
- New geographic factors were created for the eleven new rating regions defined by the State of Colorado. The combined individual and small group experience of the affiliated companies Rocky Mountain HMO and Rocky Mountain Health Care Options was used to develop the cost difference by rating region. The experience of the two companies was combined to increase the credibility of experience in each region and was appropriate due to the minimal differential in provider contracting between the two companies. The average factor for the sample population was 1.002.

- We then normalized the allowed claim experience to a factor of 1.00, which would be that for a member aged 21-24, by dividing by the three prior factors. The normalized PMPM was \$299.47.
- We evaluated the cost impact of new essential health benefits, which included the following:
 - Pediatric vision
 - Pediatric dental
 - Women's wellness benefits
 - Habilitative care

We estimated that these new benefits would add \$13.39 PMPM to the allowed claims.

- We then trended the claim costs to 2014, using a 7.1% trend factor for 24 months. The 7.1% trend was developed from historical claim experience and adjusted for historical changes in demographics and mix of business.

We further adjusted the claim costs to a market-wide gross premium rate by making the following additional adjustments.

- We adjusted for expected reinsurance recoveries from the company's commercial reinsurance policy for this line of business with an attachment point of \$800,000 in 2014. We reduced allowed claims by 0.0% for expected recoveries from this policy.
- We added non-claim expense items for fixed costs, administration, taxes and fees. The expenses are described later in this memorandum.
- The final January 2014 gross premium index rate (using our definition as the single market-wide premium rate that all factors are applied to) is \$473.88. Quarterly renewal index rates were developed using the assumed annual trend factor of 7.1% applied quarterly. All other factors for plan design, age, geographic location, and tobacco use are applied against this gross premium rate to arrive at the rates for each individual member. This is explained further later in this memorandum.

Credibility of Experience

No experience period claims are provided in the Unified Rate Review Template (URRT), since this is not a rate increase, therefore no credibility was assigned to experience. The Colorado standard for fully credible data is 2,000 life years and 2,000 claims. Both standards must be met within a maximum of three years, if the proposed rates are based on claims experience. The formula for determining the amount of credibility to assign to the data is $\text{SQRT}\{(\#\text{life years or claims})/\text{full credibility standard}\}$.

Paid to Allowed Ratio: Development of Plan Values

Rocky Mountain HCO will offer three products in the small group market. Within each product, the company will offer plan designs with varying coverage of Pediatric Dental and network availability. The products will be sold inside and/or outside the Exchange with the same rates as indicated in the URRT.

The plan factors are shown in attached URRT. These plan factors were developed from a proprietary plan value model which uses the company's own utilization and unit costs for all components of health services. The model applies applicable plan deductibles, coinsurance, out of pocket maximums, and copays to determine the total combined value of all components of cost sharing, and compares the remaining plan cost to the total cost of care to arrive at the plan value that is used in pricing each particular plan design. The plan factors are the paid to allowed ratios for each plan.

Risk Adjustment and Reinsurance

We did not assume any risk adjustment transfers in the pricing. Any assumptions we might make about the risk profile of the population that will be insured by Rocky Mountain HCO in 2014 would be purely speculative. We have no reason to believe that Rocky Mountain HCO will attract members with either higher or lower than average risk. Thus, assuming a risk adjustment transfer did not seem appropriate.

The small group market will not receive reinsurance payments from the transitional reinsurance program but will make reinsurance contributions. The reinsurance contribution was assumed to be \$5.25 per member per month and was added as a fixed cost in the calculation of the gross premium index rate.

Non-Benefit Expenses, Profit and Risk

Administrative Expense Load

The administrative expense load includes 17.4% for general administration, claims adjustment and commissions. This is slightly more than the general administrative expenses and claims adjustment expenses shown in the company's 2011 annual statement, the additional cost is driven by new expenses related to operating costs specific to the exchange.

Profit and Risk Margin

The rate development assumes 0.5% for margin and contingencies, which includes both profit and risk margin.

Taxes and Fees

The taxes and fees that have been included in the development of the gross premium index rate are as follows:

Item	Estimated % of Premium
Health Insurance Provider Tax	1.36%
Exchange Fee	1.78%
Patient Centered Outcomes Research Tax	0.04%
Risk Adjustment and Data Collection	0.02%
Transitional Reinsurance Contribution	1.12%
Total	4.32%

Projected Loss Ratio

The projected loss ratio using the federally prescribed MLR methodology is demonstrated below.

<u>Numerator</u>	
Incurred claims	\$366.81
Transitional reinsurance receipts	\$0.00
Risk corridors and risk adjustment payments	\$0.00
Risk corridors and risk adjustment related receipts	\$0.00
	<hr/>
	\$366.81
<u>Denominator</u>	
Earned premiums	\$471.44
Federal and state taxes and assessments	\$0.00
Licensing and regulatory fees, incl transitional reins contribs	<u>(\$20.37)</u>
	\$451.07
MLR	81.3%

Allowed Claim Index Rate

The Part I Unified Rate Review template does not demonstrate the process we used to develop the rates. Rather, it represents information required by Federal regulation to be provided for certification of qualified health plans for Federally Facilitated Exchanges and for certification that the index rate is developed in accordance with Federal regulation and is used consistently and only adjusted by the allowable modifiers.

The index rate is defined in the URRT as allowed claims PMPM for essential health benefits. We did not calculate the rates with this starting point. We built the rates for the small group market using the methodology described earlier in this memorandum to arrive at a gross premium index rate to which all factors could be applied to arrive at the rates for each plan and each member. We developed plan value factors (also described earlier in this memorandum) and calculated the claim and premium estimates for each plan. We then developed an estimate of projected enrollment in each plan to arrive at average cost sharing, incurred claims, and premium across the small group single risk pool.

For all other plans, we assumed an average age factor of 1.425. We assumed an equal distribution of members across all eleven of the geographic areas, with an average factor of 1.002. The average tobacco factor allowed by the State of Colorado for small group plans is 1.15. Due to the template limitations on varying the tobacco factor by age for 2014, the plan will use a factor of 1.000 for 2014. We did not make any adjustments for morbidity in the Catastrophic plan, assuming that morbidity is adequately reflected in the age factors for the ages that are allowed to purchase that plan.

The average rate for each of the plans was developed by multiplying the gross premium index rate times the plan factor times the average age factor times the average geographic factor times the average tobacco factor for each plan. The average rate shown in the URRT is \$471.44.

With this approach, we were able to “work backwards” to develop the allowed claim index rate by removing the administrative, profit, fee, and tax loadings, adding back the reinsurance payments, and adding back the member cost sharing. This is demonstrated in the following table.

Item	PMPM
Average Premium Rate	\$471.44
Subtract Loadings for Admin, Profit, Fees, Taxes	(\$104.63)
	\$366.81
Add Net Reinsurance	\$0.00
	\$366.81
Add Member Cost Share	\$172.15
Allowed Claim Index Rate	\$538.96

AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review template were based entirely on the AV Calculator.

AV Pricing Values

The fixed reference plan used as the basis for the AV Pricing Values is a plan that pays 100% of all essential health benefits. The plan factors were developed from a proprietary plan value model which uses the company’s own utilization and unit costs for all components of health services. The model applies plan deductibles, coinsurance, out of pocket maximums, and copays to determine the total combined value of all components of cost sharing, and compares the remaining plan cost to the total cost of care to arrive at the plan value that is used in pricing each particular plan design.

Membership Projections

We projected 2014 enrollment in the plans by reviewing the enrollment pattern in existing plans and assuming that current members will purchase a plan with similar value to the plan they are currently enrolled in. We assumed that the company's small group enrollment will increase by 18.5% from its current level. This is based on the Society of Actuaries study *Cost of the Future Newly Insured under the Affordable Care Act (ACA), February 2013* that projected the potential growth of the small group market in 2014. We are projecting that 25% of the members will purchase the product with pediatric dental. We assumed an equal distribution of the new entrants to the market across the plan designs. The quarterly distribution was based on the renewal distribution of the existing plans. Based on these assumptions, our 2014 enrollment projections are shown in the URRT.

Terminated Products

Non ACA-compliant products will no longer be offered to new enrollees effective January 1, 2014 but will remain in effect in 2014 until enrollees renew onto ACA-compliant products.

Plan Type

The plan type adequately describes the plans being offered, has been selected for all plans.

Warning Alerts

There are two warning alerts in Worksheet 2, as follows:

- **Line 82, Total Premium.** The difference between the two numbers is less than \$1238, out of a total of \$68.5 million. We assume this to be due to rounding differences. The warning requires an exact match which cannot be achieved unless all rounding protocols are the same. We respectfully suggest that this requirement be changed to allow for small rounding differences.
- **Line 86, Total Allowed Claims.** The difference between the two numbers is approximately the net amount of reinsurance. We understand that the definition for this line says that net reinsurance should be subtracted. However, reinsurance is subtracted again in line 93, so if line 86 is completed as defined, then the lines below will not match and will create warnings. We respectfully suggest that this be corrected with a future version of the URRT.

Reliance

I relied on information provided by Rocky Mountain Health Plans and publicly available to develop the 2014 premium rates. This information includes, but is not limited to the following:

- Administrative cost projections,
- Expected commissions by product,
- Product design information,
- Provider network information including discount data.

Actuarial Certification

I, Julie A. Andrews, am associated with the firm of Leif Associates, Inc. I am a member of the American Academy of Actuaries and have been retained by Rocky Mountain Health Care Options, to perform this rate development. I meet the Academy qualification standards for performing this assignment.

The Part I Unified Rate Review template does not demonstrate the process used to develop the rates. Rather, it represents information required by Federal regulation to be provided for certification of qualified

health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and is used consistently and only adjusted by the allowable modifiers.

I hereby certify that:

- The rates were developed in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- The rates were developed in compliance with the applicable Actuarial Standards of Practice.
- The rates are reasonable in relation to the benefits provided and the population anticipated to be covered.
- Based on information currently available, the rates are believed to be neither excessive nor deficient.
- The index rate and only the allowable modifiers as described in 45 CFR 156.80 (d)(1) and 45 CFR 156.80 (d)(2) were used to generate plan level rates.
- The percent of total premium that represents essential health benefits in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
- The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.



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May 3, 2013

ACTUARIAL MEMORANDUM

Pursuant to Colorado Regulation 4-2-11 Section 6, rate filings must contain an Actuarial Memorandum. The Division of Insurance developed this template Memorandum, to reduce the number of returned incomplete filings. For additional information and table General filing requirements, Actuarial Certification requirements, and submission requirements are identified in Section 5 of Colorado Regulation 4-2-11. For requirements by line of business, see Section 7 of this regulation. Rate filings submitted without ALL requirements of the regulations could be disapproved or rejected by the Colorado Division of Insurance.

		Instructions/Descriptions
Company:	Rocky Mountain Healthcare Options	Company Name
NAIC #:	47004	NAIC Company Code (CoCode)
SERFF Filing #:	LEIF-129012662	SERFF Filing Number
SERFF Binder Filing #:	RCKY-CO14-125000893	

A: SUMMARY		
1. Reason(s):	This filing is a new rate filing for new non-grandfathered products to be offered inside and outside the exchange.	A statement whether this is a new filing, a rate revision, or a new option being added to an existing form. If the filing is a rate revision, the reason for the revision should be stated.
2. Requested Rate Action:	0%	The overall rate increase or decrease amount should be listed. List rate change and average change in each component of rate changes and renewal by effective months. List 12 month renewal with changes by component and the averages by component.
3. Marketing method(s):	These plans will be marketed through the exchange and are marketed through direct sales and agents.	A brief description of the marketing method used for the filed form should be listed. (Agency/Broker, Internet, Direct Response, Other)
4. Premium Classification(s):	The premium rates may vary by age, plan design, geographic region, tobacco use, and family size.	The section should state all attributes upon which the premium rates vary. This must comply with the new rating reforms.
5. Product Description(s):	Please reference the Plan and Benefit Template provided in the Binder #RCKY-CO14-125000893	This section should describe the benefits provided by the policy. *Must include EHB and list any substitution of benefits or any additional benefits above the EHB.
6. Policy/Rider Impacted:	Please see Form Schedule tab in SERFF.	This can be completed on the form schedule tab in SERFF
7. Age Basis:	The premium charged on an attained age basis.	A statement as to whether the premiums will be charged on an issue age, attained age, renewal age or other basis and the issue age range of the form should be specified.
8. Renewability provision:	These products are guaranteed renewable.	All policies should be guaranteed renewable.
Additional Information:		

B. ASSUMPTION, MERGER OR ACQUISITION		
1. Is product part of assumption, acquisition, or merger (from or with another company)?	No, these products are not part of any assumption or acquisition.	Yes/No
Assumption:	No	Yes/No
Acquisition:	No	Yes/No
Merger:	No	Yes/No
2. If yes, provide name of company(s):	NA	Company Name
3. Closing Date of assumption, merger or acquisition:	NA	DD/MM/YYYY
Additional Information:	NA	

C. RATING PERIOD		
Proposed Effective Date: (may not say "upon approval")	1/1/2014	Date (DD/MM/YYYY)
Rating Period:	Quarterly	(Annual, Semi-Annual, Quarterly, Other)
Rating Period Dates:	1/1/2014 to 12/31/2014	DD/MM/YYYY to DD/MM/YYYY

D. EFFECT OF LAW CHANGES		
Identify and quantify changes resulting from mandated benefits and other law changes:	<p>Effective January 1, 2014, the provisions of federal health care reform (PPACA) to make care affordable and accessible for all Americans by requiring for example, that health plans cover Essential Health Benefits on a guaranteed issue basis. In addition, the exchange provisions of the regulation will be fully implemented along with the fees associated with the exchange. Included are the Women's Preventive Services implemented August 2012 providing specified preventive services without cost sharing. Per the May 6, 2013 "Carrier EHB Instructions.pdf" Benefit Specific Instructions provided for the Plans and Benefits Template, RMHP has utilized both Option 1 and Option 2 as described here:</p> <ul style="list-style-type: none"> Anesthesia – (Option 2): Other anesthesia is addressed via the explanation field under "Outpatient Surgery" and "Inpatient Hospital benefit" as coinsurance after deductible. Dental Anesthesia is currently called out separately in the template – addressed as such with limitation for children who meet certain criteria. Breast Reconstruction Surgery – (Option 2): Addressed in template under "Reconstructive Surgery" via the Exclusion section: "Services and supplies not specifically listed as covered in the Evidence of Coverage, such as breast reconstruction except as part of a mastectomy." Cardiac Rehabilitation – (Option 2): Addressed in template via explanation field under "Outpatient Rehabilitation Services" – coinsurance after deductible. Pulmonary Rehabilitation – (Option 2): Addressed in template under "Outpatient Rehabilitation Services" – coinsurance after deductible. Autism Spectrum Disorders – (Option 1): Added Benefit Hearing Exams – (Option 1): Added Benefit Smoking Cessation Program – (Option 2): Addressed in template via explanation field under "Preventive Care/Screening/Immunization" – Includes Smoking Cessation. Contraceptive Services – (Option 1): Added Benefit titled "Outpatient Contraceptive Services Including Sterilizations". Included this Exclusion language "Over-the-counter contraceptive drugs or devices which do not require a prescription, except those listed as included in the RMHP formulary, abortifacient drugs, reversal of voluntary sterilization, services and procedures to verify the success of reversal of voluntary sterilization." 	<p>The memorandum should identify, quantify, and adequately support any changes to the rates, expenses, and/or medical costs that result from changes in law(s) or regulation(s), including federal, state or local. All applicable benefit mandates should be listed, including those with no rating impact. This quantification must include the effect of specific mandated benefits and anticipated changes both individually by benefit, as well as for all benefits combined.</p>

Additional Information:	Additional information regarding the impact of the various implementation elements of the 2014 PPACA regulation may be found in Exhibit C1.	
E. RATE HISTORY		
Provide rate changes made in at least the last three years (If available)	Complete tab "Rate History"	
F. COORDINATION OF BENEFITS		
Provides actual loss experience net of any savings:	Health Care Options coordinates benefits on its small group policies. The loss experience used in setting the rates is net of any collection of subrogation or coordination of benefits amounts and results in an equitable reduction in premiums for all policyholders.	Each rate filing must reflect actual loss experience net of any savings associated with coordination of benefits and/or subrogation.
Additional Information:	NA	
G. RELATIONSHIP OF BENEFITS TO PREMIUM		
Description	Percentage	
Commissions	3.2%	The memorandum must adequately support the reasonableness of the relationship of the projected benefits to projected earned premiums for the rating period. (This number should equal 1 minus the total retention percentage listed above.)
General expenses	14.2%	
Premium taxes	0.0%	
Profit/Contingencies	1.4%	
PPACA Fees	2.5%	
Exchange Fees	1.8%	
Investment Income	-0.9%	
Other		
Total Retention:	22.2%	
Targeted Loss Ratio:	77.8%	
H. PROVISION FOR PROFIT AND CONTINGENCIES		
1. Provision for Profit and Contingencies:	0.5 %	Pre-FIT After tax
2. Proposed load in excess of 7% after tax.	NA	
Provide detailed support:	The proposed rates contain a 0.50% provision for profit/contingencies, including investment income	
Additional Information:	NA	
I. DETERMINATION OF PROPOSED RATES		
Include all underlying rating assumptions, with detailed support for each assumption. This explanation may be on an aggregate expected loss basis or as a per-member-per-month (PMPM) basis. (this can be attached with support in a pdf document)		The memorandum must contain a section with a complete explanation as to how the proposed rates were determined, including all underlying rating assumptions, with detailed support for each assumption. This includes all rating factors.
1. Explain, in detail, how rates and/or rate changes were developed:	<p>The premium rates for the new HCO Small Group plans were based on the following steps:</p> <ul style="list-style-type: none"> • The claim costs underlying the various plans were trended to the rating period beginning January 1, 2014. • The trended claim costs were adjusted for the anticipated impact of federal health reform measures that have become effective and will be effective on January 1, 2014. These adjustments include Women's Wellness effective August 1, 2012, • The trended claims costs were adjusted for the mix of business to determine the indicated HCO Small Group Base Rate. These adjustments include age, family mix and geographic mix. • The adjusted trended claims costs were adjusted for retention components, new taxes and exchange fees to generate the full index rate for the single risk pool. 	
2. Provide adequate support for all assumptions and methodologies used:	Additional detail supporting all assumptions may be found in Exhibit C1.	
J. TREND		
Additional support and information must be provided on the "Historical Trend" and "Normalized Trend" tabs		Describe the trend assumptions used in pricing. Each assumption must be separately discussed, adequately supported, and must also be appropriate for the specific line of business, product design, benefit configuration, and time period. Any and all factors affecting the projection of future claims must be presented and adequately supported. The Total Average Annualized Trend MUST be filled out. Underwriting wearoff means the gradual increase from initial low expected claims that result from underwriting selection to higher expected claims for later (ultimate) durations. Underwriting wearoff does not apply to guaranteed issue products.
Itemized trend component	Trend (%)	
MEDICAL TREND (total)	0.073	
Medical provider price increase	0.052	
Utilization changes	0.02	
Medical cost shifting		
Medical procedures and new technology		
INSURANCE TREND (total)		

Underwriting wearoff		
Deductible leveraging		
Anti-selection		
PHARMACEUTICAL TREND (total)	0.058	
Price increases	-0.019	
Utilization changes	0.034	
Cost shifting		
Introduction of new brand and generic drugs	0.043	
TOTAL AVERAGE ANNUALIZED TREND (required)	0.071	
Additional information:	Additional detail supporting all assumptions may be found in Exhibit C1.	

K. CREDIBILITY		
1. Credibility Percentage (Colorado Only):	100 % If other, please specify	The Colorado standard for fully credible data is 2,000 life years and 2,000 claims. Both standards must be met within a maximum of three years, if the proposed rates are based on claims experience. Discuss the credibility of the Colorado data with the proposed rates based upon as much Colorado data as possible. Identify and discuss the source, applicability and use of collateral data used to support partially credible Colorado data. The use of collateral data is only acceptable if the Colorado data does not meet the full credibility standard. The formula for determining the amount of credibility to assign to the data is $\sqrt{\frac{\text{life years or claims}}{\text{full credibility standard}}}$. The full credibility standard is defined above
The above credibility percentage is based upon:	The data meets both credibility criteria, life years and claims for Colorado.	
Other (please specify)	NA	
2. Number of years of data used to calculate above credibility percentage:	1	
3. Discuss how and if aggregated data meets the Colorado credibility requirement and how the rating methodology was modified for the partially credible data, if applicable.	The experience data was based on 182,042 member months with 393,204 claims.	
Additional Information: (including collateral data, if used)	NA	

L. DATA REQUIREMENTS Complete tab "Data Requirements"

M. SIDE-BY-SIDE COMPARISON Complete tab "Side by Side Comparison"

N. BENEFITS RATIO PROJECTIONS Complete tab "Projected Benefits Ratio"

O. OTHER FACTORS		
Identify and provide support for other rating factors and definitions, including area factors, age factors, gender factors, etc.:	A complete set of rates and rating factors effective January 1, 2014 can be found in Worksheet "Rate Manual" of this file.	The memorandum must clearly display or clearly reference all other rating factors and definitions, including the area factors, age factors, gender factors, etc., and support for each of these factors in a new rate filing. The same level of support for changes to any of these factors must be included in renewal rate filings. In addition, the Commissioner expects each carrier to review each of these rating factors at least every five years and provide detailed support for the continued use of each of these factors in a rate filing. Gender factors shall not vary for individual health care coverage effective on or after January 1, 2011. See Section 8.C of this regulation.
Additional Information:	The requested "Rate Sample" based on (a. 40 year old non-smoker b. Each metal level c. Each Network if multiple networks in an area) as specified in the FAQ response to Question 3, dated 4/30/2013 may be found in Worksheet "Rate Sample" of this file.	

E. RATE HISTORY					
Provide rate changes made in at least the last three years (if available) N/A (Initial Filing)					
COLORADO					
State Tracking Number	% OF CHANGE				
or SERFF Tracking Number	Effective Date	Minimum	Average	Maximum	Cumulative for past 12 Months
NATIONWIDE					
Effective Date	Average % of change	Cumulative for past 12 Months			
Additional Information:					

L. DATA REQUIREMENTS								
Colorado-only basis for at least 3 years. Include national, regional or other appropriate basis, if the Colorado data is not fully credible. The experience period must include consecutive data no older than 9 months prior to the proposed effective date.								
COLORADO								
Year*	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Loss Ratio	Average Covered Lives	Number of Claims	Colorado On Rate Level Premium
2010	\$56,008,626	\$44,957,603	\$44,957,603	\$0	80.3%	154,543	312,205	\$66,504,656
2011	\$67,356,836	\$54,655,156	\$54,655,156	\$0	81.1%	179,549	374,523	\$77,265,515
2012	\$72,123,275	\$58,672,309	\$60,168,712	\$1,496,402	83.4%	182,042	393,204	\$72,123,275
2013	NA	NA	NA	NA	NA	NA	NA	NA
*This column should be Calendar Year. If fractional year is used, identify period as MM/YYYY – MM/YYYY								
Above data is for:	Comparable Product		The above data represents the Rocky Mountain Healthcare Options small group product portfolio.					
OTHER DATA								
Year	Earned Premium	Incurred Claims	Total Estimated Incurred Claims	Total Estimated IBNR Claims	Average Covered Lives	Number of Claims		
2010	\$29,644	\$8,302,986	\$8,302,986		29,644	58,494		
2011	\$120,131	\$37,408,895	\$37,408,895		120,131	248,082		
2012	\$118,378	\$38,250,344	\$39,255,169	\$1,004,825	118,378	259,696		
2013	NA							
Above data is for:	Comparable Product		The above additional data represents the existing nongrandfathered portion of the Rocky Mountain Healthcare Options small group portfolio.					
Experience Period: (From ___ to ___)	January 2012 through December 2012, paid through February 2013							
Additional Information:								

N. PROJECTED EXPERIENCE FOR RATING PERIOD			
	Premiums	Incurred Claims	Benefits Ratio
Projected Experience Without Rate Change	NA	NA	NA
Projected Experience With Rate Change	\$ 68,509,729.00	\$ 53,304,532.00	77.8%
Additional Information	This is an initial product filing, therefore, the "without rate change" is not applicable. The projected benefits ratio is below the 4-2-11 small group guideline of 80.0% and is actuarially justified by the additional coverage of 3.8% of PPACA and Exchange fees under the product.		

In this Model the health plan will only be asked to enter data shown in Red, the other cells are all calculated as part of the State's Evaluation Model

Step 1:

Enter Your Member and Claim Information for the most Recent 4 Years. If your plan has less than 4 years of data then enter the amount since plan inception. The most recent month should be within 6 months of the date that you filed rates. Enter the most recent month in Row# 48.

Month Through Which Claims are Paid:

Row #	Month	Members	Medical		Pharmacy		Medical	Pharmacy	Total
			Total	Estimated	Total	Estimated	12-Month	12-Month	12-Month
			Incurring Claims	IBNR Claims	Incurring Claims	IBNR Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	200901	12,301	\$2,758,592	\$0	\$333,986	\$0			
2	200902	11,835	\$2,876,646	\$0	\$293,783	\$0			
3	200903	11,362	\$2,975,881	\$0	\$309,481	\$0			
4	200904	11,106	\$2,707,246	\$0	\$295,943	\$0			
5	200905	10,464	\$2,552,413	\$0	\$249,869	\$0			
6	200906	10,254	\$2,390,272	\$0	\$284,207	\$0			
7	200907	10,367	\$2,744,773	\$0	\$285,885	\$0			
8	200908	10,337	\$2,136,649	\$0	\$313,753	\$0			
9	200909	10,331	\$2,335,500	\$0	\$315,009	\$0			
10	200910	10,361	\$2,856,581	\$0	\$342,410	\$0			
11	200911	10,478	\$3,303,569	\$0	\$338,836	\$0			
12	200912	10,910	\$2,800,740	\$0	\$407,503	\$0			
13	201001	11,746	\$2,409,645	\$0	\$330,250	\$0			
14	201002	11,785	\$2,669,464	\$0	\$350,373	\$0			
15	201003	12,029	\$3,547,569	\$0	\$441,487	\$0			
16	201004	12,256	\$3,076,489	\$0	\$437,825	\$0			
17	201005	12,777	\$3,085,222	\$0	\$447,126	\$0			
18	201006	13,082	\$3,680,503	\$0	\$501,076	\$0			
19	201007	13,167	\$3,254,118	\$0	\$503,213	\$0			
20	201008	13,208	\$3,550,563	\$0	\$519,458	\$0			
21	201009	13,357	\$3,446,349	\$0	\$533,003	\$0			
22	201010	13,460	\$2,856,806	\$0	\$562,693	\$0			
23	201011	13,445	\$4,039,145	\$0	\$611,752	\$0			
24	201012	14,231	\$3,486,617	\$0	\$616,855	\$0	1.48%	30.63%	4.52%
25	201101	15,022	\$4,310,212	\$0	\$507,461	\$0	4.89%	31.41%	7.68%
26	201102	14,988	\$3,445,918	\$0	\$511,047	\$0	5.39%	30.27%	8.06%
27	201103	14,997	\$3,765,588	\$0	\$588,103	\$0	2.72%	27.24%	5.38%
28	201104	15,028	\$3,647,912	\$0	\$590,397	\$0	2.13%	24.82%	4.65%
29	201105	14,974	\$4,211,427	\$0	\$674,577	\$0	3.60%	23.80%	5.91%
30	201106	14,895	\$3,757,043	\$0	\$687,108	\$0	0.95%	22.37%	3.42%
31	201107	14,879	\$3,262,205	\$0	\$645,821	\$0	0.54%	20.39%	2.90%
32	201108	14,904	\$3,927,411	\$0	\$746,520	\$0	-1.47%	20.35%	1.13%
33	201109	14,905	\$3,350,163	\$0	\$751,950	\$0	-3.41%	20.18%	-0.57%
34	201110	15,050	\$3,956,873	\$0	\$723,673	\$0	0.21%	19.16%	2.57%
35	201111	14,992	\$4,729,259	\$0	\$779,285	\$0	0.91%	17.17%	2.99%
36	201112	14,915	\$4,249,636	\$0	\$835,567	\$0	2.61%	18.24%	4.64%
37	201201	14,778	\$4,326,122	\$1,065	\$564,274	\$0	0.10%	18.18%	2.42%
38	201202	14,682	\$3,269,893	\$1,702	\$613,475	\$0	0.03%	19.13%	2.50%
39	201203	14,831	\$3,280,261	\$2,146	\$688,763	\$0	0.38%	20.09%	2.97%
40	201204	14,948	\$4,080,318	\$2,616	\$707,015	\$0	1.71%	20.97%	4.26%
41	201205	15,074	\$4,402,447	\$5,250	\$765,090	\$0	0.76%	19.62%	3.28%
42	201206	15,085	\$4,121,170	\$9,431	\$745,120	\$0	2.37%	18.32%	4.54%
43	201207	15,256	\$4,108,199	\$23,830	\$742,904	\$0	5.07%	18.17%	6.89%
44	201208	15,349	\$4,899,939	\$28,404	\$801,943	\$0	7.13%	16.06%	8.39%
45	201209	15,454	\$4,276,096	\$59,873	\$781,755	\$0	10.17%	13.72%	10.68%
46	201210	15,518	\$4,331,411	\$137,765	\$857,838	\$0	9.29%	13.76%	9.94%
47	201211	15,562	\$4,639,171	\$435,274	\$858,195	\$0	8.98%	12.94%	9.56%
48	201212	15,505	\$3,897,797	\$788,663	\$913,114	\$383	8.18%	10.89%	8.58%

Start Month	End Month	Members Months	Medical		Pharmacy		One Year Trends		
			Total Incurring Claims	Estimated IBNR Claims	Total Incurring Claims	Estimated IBNR Claims	Medical Trend	Pharmacy Trend	Total Trend
200901	200912	130,106	32,438,861	0	3,770,664	0			
201001	201012	154,543	39,102,492	0	5,855,112	0	1.5%	30.6%	4.5%
201101	201112	179,549	46,613,648	0	8,041,508	0	2.6%	18.2%	4.6%
201201	201212	182,042	49,632,823	1,496,019	9,039,486	383	8.2%	10.9%	8.6%

In this Model the health plan will only be asked to enter data shown in **Red**, the other cells are all calculated as part of the State's Evaluation Model

Enter Your Member and Normalized Claim Information for the most Recent 4 Years. If your plan has less than 4 years of data then enter the amount since plan inception. The most recent month should be within 6 months of the date that you filed rates. Enter the most recent month in Row# 48.

Claims should be normalized for demographic changes, benefit changes, uw wear-off if applicable, and any other rating factors that are appropriate to normalize for.

Month Through Which Claims are Paid:

Row #	Month	Members	Medical	Pharmacy	Medical	Pharmacy	Total
			Normalized	Normalized	12-Month	12-Month	12-Month
			Incurring Claims	Incurring Claims	pmpm Trend	pmpm Trend	pmpm Trend
1	200901	12,301	\$3,485,656	\$551,404			
2	200902	11,835	\$3,634,825	\$485,030			
3	200903	11,362	\$3,760,214	\$510,947			
4	200904	11,106	\$3,420,777	\$488,595			
5	200905	10,464	\$3,225,136	\$412,528			
6	200906	10,254	\$3,020,260	\$469,219			
7	200907	10,367	\$3,468,195	\$471,990			
8	200908	10,337	\$2,699,791	\$518,000			
9	200909	10,331	\$2,951,053	\$520,073			
10	200910	10,361	\$3,609,471	\$565,311			
11	200911	10,478	\$4,174,269	\$559,411			
12	200912	10,910	\$3,538,912	\$672,779			
13	201001	11,746	\$3,095,782	\$501,558			
14	201002	11,785	\$3,429,584	\$532,119			
15	201003	12,029	\$4,557,726	\$670,495			
16	201004	12,256	\$3,952,508	\$664,934			
17	201005	12,777	\$3,963,728	\$679,060			
18	201006	13,082	\$4,728,512	\$760,994			
19	201007	13,167	\$4,180,715	\$764,241			
20	201008	13,208	\$4,561,572	\$788,912			
21	201009	13,357	\$4,427,684	\$809,483			
22	201010	13,460	\$3,670,271	\$854,573			
23	201011	13,445	\$5,189,277	\$929,082			
24	201012	14,231	\$4,479,418	\$936,831	3.18%	20.16%	5.43%
25	201101	15,022	\$5,449,874	\$739,759	6.34%	21.33%	8.32%
26	201102	14,988	\$4,357,053	\$744,986	6.56%	20.76%	8.46%
27	201103	14,997	\$4,761,246	\$857,316	3.52%	18.56%	5.54%
28	201104	15,028	\$4,612,456	\$860,661	2.64%	16.82%	4.57%
29	201105	14,974	\$5,324,970	\$983,375	3.83%	16.29%	5.56%
30	201106	14,895	\$4,750,442	\$1,001,642	0.88%	15.37%	2.90%
31	201107	14,879	\$4,124,765	\$941,455	0.21%	13.90%	2.16%
32	201108	14,904	\$4,965,857	\$1,088,252	-2.04%	14.23%	0.26%
33	201109	14,905	\$4,235,979	\$1,096,167	-4.21%	14.41%	-1.56%
34	201110	15,050	\$5,003,109	\$1,054,945	-0.85%	13.77%	1.29%
35	201111	14,992	\$5,979,722	\$1,136,015	-0.45%	12.14%	1.43%
36	201112	14,915	\$5,373,282	\$1,218,060	0.98%	13.49%	2.87%
37	201201	14,778	\$5,367,481	\$774,014	-1.50%	13.35%	0.70%
38	201202	14,682	\$4,058,116	\$841,504	-1.57%	14.14%	0.77%
39	201203	14,831	\$4,071,528	\$944,776	-1.22%	14.91%	1.21%
40	201204	14,948	\$5,064,508	\$969,812	0.05%	15.59%	2.41%
41	201205	15,074	\$5,467,346	\$1,049,473	-0.92%	14.12%	1.37%
42	201206	15,085	\$5,123,635	\$1,022,081	0.63%	12.71%	2.51%
43	201207	15,256	\$5,125,406	\$1,019,042	3.26%	12.39%	4.70%
44	201208	15,349	\$6,113,160	\$1,100,025	5.24%	10.17%	6.04%
45	201209	15,454	\$5,378,374	\$1,072,333	8.21%	7.72%	8.13%
46	201210	15,518	\$5,543,606	\$1,176,696	7.30%	7.55%	7.34%
47	201211	15,562	\$6,294,386	\$1,177,186	6.96%	6.55%	6.89%
48	201212	15,505	\$5,813,127	\$1,253,044	6.13%	4.35%	5.83%

Start Month	End Month	Members Months	Medical	Pharmacy	One Year Trends		
			Total Incurred Claims	Total Incurred Claims	Medical Trend	Pharmacy Trend	Total Trend
200901	200912	130,106	40,988,561	6,225,288			
201001	201012	154,543	50,236,778	8,892,284	3.2%	20.2%	5.4%
201101	201112	179,549	58,938,756	11,722,633	1.0%	13.5%	2.9%
201201	201212	182,042	63,420,672	12,399,984	6.1%	4.3%	5.8%

Rocky Mountain HCO
Small Group Rating Factors
January 1, 2014

Base Rate 1/1/2014	\$	473.88
Base Rate 4/1/2014	\$	482.05
Base Rate 7/1/2014	\$	490.35
Base Rate 10/1/2014	\$	498.80

Geographic Rating Area	Description	Counties	Geographic Rating Factor
Rating Area 1	Boulder MSA	Boulder	1.11
Rating Area 2	Colorado Springs MSA	El Paso, Teller	0.86
Rating Area 3	Denver MSA	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	0.97
Rating Area 4	Fort Collins MSA	Larimer	1.21
Rating Area 5	Mesa MSA	Mesa	0.86
Rating Area 6	Greeley MSA	Weld	1.16
Rating Area 7	Pueblo MSA	Pueblo	1.11
Rating Area 8	East South	Alamosa, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, Fremont, Huerfano, Kiowa, Kit Carson, Las Animas, Lincoln, Mineral, Otero, Prowers, Rio Grande, Saguache	1.06
Rating Area 9	East North	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	1.36
Rating Area 10	West	Archuleta, Delta, Dolores, Grand, Gunnison, Hinsdale, Jackson, La Plata, Lake Moffat, Montezuma, Montrose, Ouray, Rio Blanco, Routt, San Juan, San Miguel	1.01
Rating Area 11	Resort	Eagle, Garfield, Pitkin, Summit	1.40

PPACA Age Bracket	Age Factor	Tobacco Factor
0 - 20	0.635	1.000
21	1.000	1.000
22	1.000	1.000
23	1.000	1.000
24	1.000	1.000
25	1.004	1.000
26	1.024	1.000
27	1.048	1.000
28	1.087	1.000
29	1.119	1.000
30	1.135	1.000
31	1.159	1.000
32	1.183	1.000
33	1.198	1.000
34	1.214	1.000
35	1.222	1.000
36	1.230	1.000
37	1.238	1.000
38	1.246	1.000
39	1.262	1.000
40	1.278	1.000
41	1.302	1.000
42	1.325	1.000
43	1.357	1.000
44	1.397	1.000
45	1.444	1.000
46	1.500	1.000
47	1.563	1.000
48	1.635	1.000
49	1.706	1.000
50	1.786	1.000
51	1.865	1.000
52	1.952	1.000
53	2.040	1.000
54	2.135	1.000
55	2.230	1.000
56	2.333	1.000
57	2.437	1.000
58	2.548	1.000
59	2.603	1.000
60	2.714	1.000
61	2.810	1.000
62	2.873	1.000
63	2.952	1.000
64+	3.000	1.000

Plan Name	Plan ID	Plan Factor
Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35 (w/Child Dental)	80208CO0120001	0.843
Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35 (w/Child Dental)	80208CO0120002	0.819
Rocky Mountain Summit PPO Gold - Deductible \$500/80%/Copay \$35	80208CO0120003	0.830
Rocky Mountain Summit PPO Gold - Deductible \$650/80%/Copay \$35	80208CO0120004	0.807
Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35 (w/Child Dental)	80208CO0130001	0.704
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45 (w/Child Dental)	80208CO0130002	0.689
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40 (w/Child Dental)	80208CO0130003	0.694
Rocky Mountain Summit PPO Silver - Deductible \$1500/70%/Copay \$35	80208CO0130004	0.694
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$45	80208CO0130005	0.679
Rocky Mountain Summit PPO Silver - Deductible \$2000/70%/Copay \$40	80208CO0130006	0.683
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50 (w/Child Dental)	80208CO0140001	0.594
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45 (w/Child Dental)	80208CO0140002	0.617
Rocky Mountain Summit PPO Bronze - Deductible \$4500/60%/Copay \$50	80208CO0140003	0.585
Rocky Mountain Summit PPO Bronze HSA - Deductible \$3250/70%/Copay \$45	80208CO0140004	0.607

Family Rate Cap: No more than three covered children under the age of 21 will be taken into account in determining the family premium.

ACTUARIAL MEMORANDUM AND CERTIFICATION

Re: Rocky Mountain Health Care Options
2014 Small Group Plan Rates

Date: May 3, 2013

General Information

Company Identifying Information

- Company Legal Name: Rocky Mountain HCO
- State: Colorado
- HIOS Issuer ID: 80208
- Market: Small Group
- Effective Date: January 1, 2014

Company Contact Information

- Primary Contact Name: Barry Barak
- Primary Contact Telephone Number: 970-244-7978
- Primary Contact Email Address: Barry.Barak@rmhp.org

Proposed Rate Increase(s)

This filing is for new QHP products that will be sold through the Colorado Exchange as well as in the small group market outside the Exchange. This is not a rate increase.

No experience period claims are provided in the Unified Rate Review Template (URRT), since this is not a rate increase. The URRT would not accept a PMPM of zero for the experience period claims, so we entered placeholder utilization and unit costs in the prescription drug line to create a PMPM of \$1.00 so that the URRT would function properly.

Credibility Manual Rate Development

Source and Appropriateness of Experience Data Used

The allowed claims experience of Rocky Mountain HCO's existing small group grandfathered and non-grandfathered business was used as a starting point for the development of the new 2014 products. The combined experience was utilized to maximize the credibility of the experience. Adjustments were made for demographics, morbidity, geographic area, benefits, and trend. Rocky Mountain Health Care Option's small group product line 2012 data included \$75.9 million in allowed claims and approximately 182,000 member months.

Adjustments Made to the Data

The proposed 2014 rates were impacted by the following factors:

- There are many new benefits that must be covered, such as pediatric vision, pediatric dental, women's wellness, and habilitative benefits. These changes all added significant cost to the new plan designs.
- Annual increases in the cost of health care are expected to continue, since there are no inherent cost controls in the new plan designs.
- New fees and taxes include the following:
 - An Exchange fee of 1.4% plus \$1.80 PMPM
 - A health insurance provider fee
 - A charge for risk adjustment and data collection
 - The patient-centered outcomes research tax
 - The \$5.25 PMPM transitional reinsurance contribution

The following bullets describe the development of the 2014 individual rates. The numbers shown below do not coincide with the numbers in the URRT, since we did not develop the rates in the way demonstrated in the URRT. The development of the numbers in the URRT is described later in this memorandum.

We made the following adjustments to the 2012 allowed claims for the existing small group business in the development of the 2014 allowed claim estimates.

- We first developed an allowed 2012 PMPM for each category of service: Inpatient, Outpatient, Professional, Other, Capitation and Pharmacy. The experience contained a mix of pharmacy plan types, but only those plans covering generic and brand drugs were included in the development and were adjusted for rebates.
- Using the current member distribution by age, we calculated the average age factor using the mandated 2014 age factors. The average age factor was 1.425.
- Using the current member family size, we calculated an adjustment factor to recognize the 2014 cap on the number of child rates. The adjustment factor was 0.989.
- New geographic factors were created for the eleven new rating regions defined by the State of Colorado. The combined individual and small group experience of the affiliated companies Rocky Mountain HMO and Rocky Mountain Health Care Options was used to develop the cost difference by rating region. The experience of the two companies was combined to increase the credibility of experience in each region and was appropriate due to the minimal differential in provider contracting between the two companies. The average factor for the sample population was 1.002.
- We then normalized the allowed claim experience to a factor of 1.00, which would be that for a member aged 21-24, by dividing by the three prior factors. The normalized PMPM was \$299.47.
- We evaluated the cost impact of new essential health benefits, which included the following:
 - Pediatric vision
 - Pediatric dental
 - Women's wellness benefits
 - Habilitative care

We estimated that these new benefits would add \$13.39 PMPM to the allowed claims.

- We then trended the claim costs to 2014, using a 7.1% trend factor for 24 months. The 7.1% trend was developed from historical claim experience and adjusted for historical changes in demographics and mix of business.

We further adjusted the claim costs to a market-wide gross premium rate by making the following additional adjustments.

- We adjusted for expected reinsurance recoveries from the company's commercial reinsurance policy for this line of business with an attachment point of \$800,000 in 2014. We reduced allowed claims by 0.0% for expected recoveries from this policy.
- We added non-claim expense items for fixed costs, administration, taxes and fees. The expenses are described later in this memorandum.
- The final January 2014 gross premium index rate (using our definition as the single market-wide premium rate that all factors are applied to) is \$473.88. Quarterly renewal index rates were developed using the assumed annual trend factor of 7.1% applied quarterly. All other factors for plan design, age, geographic location, and tobacco use are applied against this gross premium rate to arrive at the rates for each individual member. This is explained further later in this memorandum.

Paid to Allowed Ratio: Development of Plan Values

Rocky Mountain HCO will offer three products in the small group market. Within each product, the company will offer plan designs with varying coverage of Pediatric Dental and network availability. The products will be sold inside and/or outside the Exchange with the same rates as indicated in the URRT.

The plan factors are shown in attached URRT. These plan factors were developed from a proprietary plan value model which uses the company's own utilization and unit costs for all components of health services. The model applies applicable plan deductibles, coinsurance, out of pocket maximums, and copays to determine the total combined value of all components of cost sharing, and compares the remaining plan cost to the total cost of care to arrive at the plan value that is used in pricing each particular plan design. The plan factors are the paid to allowed ratios for each plan.

Risk Adjustment and Reinsurance

We did not assume any risk adjustment transfers in the pricing. Any assumptions we might make about the risk profile of the population that will be insured by Rocky Mountain HCO in 2014 would be purely speculative. We have no reason to believe that Rocky Mountain HCO will attract members with either higher or lower than average risk. Thus, assuming a risk adjustment transfer did not seem appropriate.

The small group market will not receive reinsurance payments from the transitional reinsurance program but will make reinsurance contributions. The reinsurance contribution was assumed to be \$5.25 per member per month and was added as a fixed cost in the calculation of the gross premium index rate.

Non-Benefit Expenses, Profit and Risk

Administrative Expense Load

The administrative expense load includes 17.4% for general administration, claims adjustment and commissions. This is slightly more than the general administrative expenses and claims adjustment expenses shown in the company's 2011 annual statement, the additional cost is driven by new expenses related to operating costs specific to the exchange.

Profit and Risk Margin

The rate development assumes 0.5% for margin and contingencies, which includes both profit and risk margin.

Taxes and Fees

The taxes and fees that have been included in the development of the gross premium index rate are as follows:

Item	Estimated % of Premium
Health Insurance Provider Tax	1.36%
Exchange Fee	1.78%
Patient Centered Outcomes Research Tax	0.04%
Risk Adjustment and Data Collection	0.02%
Transitional Reinsurance Contribution	1.12%
Total	4.32%

Projected Loss Ratio

The projected loss ratio using the federally prescribed MLR methodology is demonstrated below.

<u>Numerator</u>	
Incurred claims	\$366.81
Transitional reinsurance receipts	\$0.00
Risk corridors and risk adjustment payments	\$0.00
Risk corridors and risk adjustment related receipts	\$0.00
	<hr/>
	\$366.81
<u>Denominator</u>	
Earned premiums	\$471.44
Federal and state taxes and assessments	\$0.00
Licensing and regulatory fees, incl transitional reins contribs	(\$20.37)
	<hr/>
	\$451.07
MLR	81.3%

Allowed Claim Index Rate

The Part I Unified Rate Review template does not demonstrate the process we used to develop the rates. Rather, it represents information required by Federal regulation to be provided for certification of qualified health plans for Federally Facilitated Exchanges and for certification that the index rate is developed in accordance with Federal regulation and is used consistently and only adjusted by the allowable modifiers.

The index rate is defined in the URRT as allowed claims PMPM for essential health benefits. We did not calculate the rates with this starting point. We built the rates for the small group market using the methodology described earlier in this memorandum to arrive at a gross premium index rate to which all factors could be applied to arrive at the rates for each plan and each member. We developed plan value factors (also described earlier in this memorandum) and calculated the claim and premium estimates for each plan. We then developed an estimate of projected enrollment in each plan to arrive at average cost sharing, incurred claims, and premium across the small group single risk pool.

For all other plans, we assumed an average age factor of 1.425. We assumed an equal distribution of members across all eleven of the geographic areas, with an average factor of 1.002. The average tobacco factor allowed by the State of Colorado for small group plans is 1.15. Due to the template limitations on varying the tobacco factor by age for 2014, the plan will use a factor of 1.000 for 2014. We did not make any adjustments for morbidity in the Catastrophic plan, assuming that morbidity is adequately reflected in the age factors for the ages that are allowed to purchase that plan.

The average rate for each of the plans was developed by multiplying the gross premium index rate times the plan factor times the average age factor times the average geographic factor times the average tobacco factor for each plan. The average rate shown in the URRT is \$471.44.

With this approach, we were able to “work backwards” to develop the allowed claim index rate by removing the administrative, profit, fee, and tax loadings, adding back the reinsurance payments, and adding back the member cost sharing. This is demonstrated in the following table.

Item	MPPM
Average Premium Rate	\$471.44
Subtract Loadings for Admin, Profit, Fees, Taxes	(\$104.63)
	\$366.81
Add Net Reinsurance	\$0.00
	\$366.81
Add Member Cost Share	\$172.15
Allowed Claim Index Rate	\$538.96

AV Metal Values

The AV Metal Values included in Worksheet 2 of the Part I Unified Rate Review template were based entirely on the AV Calculator.

AV Pricing Values

The fixed reference plan used as the basis for the AV Pricing Values is a plan that pays 100% of all essential health benefits. The plan factors were developed from a proprietary plan value model which uses the company’s own utilization and unit costs for all components of health services. The model applies plan deductibles, coinsurance, out of pocket maximums, and copays to determine the total combined value of all components of cost sharing, and compares the remaining plan cost to the total cost of care to arrive at the plan value that is used in pricing each particular plan design.

Membership Projections

We projected 2014 enrollment in the plans by reviewing the enrollment pattern in existing plans and assuming that current members will purchase a plan with similar value to the plan they are currently enrolled in. We assumed that the company’s small group enrollment will increase by 18.5% from its current level. This is based on the Society of Actuaries study *Cost of the Future Newly Insured under the Affordable Care Act (ACA), February 2013* that projected the potential growth of the small group market in 2014. We are projecting that 25% of the members will purchase the product with pediatric dental. We assumed an equal distribution of the new entrants to the market across the plan designs. The quarterly distribution was based on the renewal distribution of the existing plans. Based on these assumptions, our 2014 enrollment projections are shown in the URRT.

Warning Alerts

There are two warning alerts in Worksheet 2, as follows:

- **Line 82, Total Premium.** The difference between the two numbers is less than \$1238, out of a total of \$68.5 million. We assume this to be due to rounding differences. The warning requires an exact match which cannot be achieved unless all rounding protocols are the same. We respectfully suggest that this requirement be changed to allow for small rounding differences.
- **Line 86, Total Allowed Claims.** The difference between the two numbers is approximately the net amount of reinsurance. We understand that the definition for this line says that net reinsurance should be subtracted. However, reinsurance is subtracted again in line 93, so if line

86 is completed as defined, then the lines below will not match and will create warnings. We respectfully suggest that this be corrected with a future version of the URRT.

Actuarial Certification

I, Julie A. Andrews, am associated with the firm of Leif Associates, Inc. I am a member of the American Academy of Actuaries and have been retained by Rocky Mountain Health Care Options, to perform this rate development. I meet the Academy qualification standards for performing this assignment.

The Part I Unified Rate Review template does not demonstrate the process used to develop the rates. Rather, it represents information required by Federal regulation to be provided for certification of qualified health plans for federally facilitated exchanges and for certification that the index rate is developed in accordance with Federal regulation and is used consistently and only adjusted by the allowable modifiers.

I hereby certify that:

- The rates were developed in compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)).
- The rates were developed in compliance with the applicable Actuarial Standards of Practice.
- The rates are reasonable in relation to the benefits provided and the population anticipated to be covered.
- Based on information currently available, the rates are believed to be neither excessive nor deficient.
- The index rate and only the allowable modifiers as described in 45 CFR 156.80 (d)(1) and 45 CFR 156.80 (d)(2) were used to generate plan level rates.
- The percent of total premium that represents essential health benefits in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
- The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.



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May 3, 2013